NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

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10¢

IS THE CORPORATE STATE DEMOCRATIC?
Father Coughlin

BLOODY HARLAN
Joseph P. Wright

WHAT'S IN A NAME?
Dr. Edward Lodge Curran

VOCATIONAL SOCIETY
Rev. W. J. Randall

THE SMALL DISTRIBUTOR
Hilaire Belloc

FROM THE TOWER
Father Coughlin

AMERICA NEEDS THIS VOICE

CHRISTIAN FRONT CONTEST

"No Politician Is Worth $1.75"

Eight weeks ago only a limited Texas radio audience had heard of W. Lee O'Daniel. Today he is the Democratic candidate for governor of the vast Lone Star State.

In the intervening weeks O'Daniel swept the state, from Dallam County in the north to Cameron County in the south; from El Paso in the west to Newton in the east, with a message new in political campaigns. It was: "Abolish all politicians."

O'Daniel's platform is simple. It is the Ten Commandments. His aim is high. It is to rid the state of political schemers; to institute a business man's government, and to bring industry to the Texas rangelands.

In Texas, the Democratic candidate invariably is elected in any contest. It is a fair assumption that O'Daniel will be the next Texas governor. His people knew this when they granted him the nomination. They wanted him—O'Daniel and his proposed abolition of all professional politicians.

In his campaign O'Daniel made great use of showmanship. That is not unusual. To a people whose entire history has been spectacular, the dramatic has a particular appeal. But beyond the songs and music, beyond the "hillbilly" band, the people of Texas liked the story of this man who made a success of his own flour business; who headed the Fort Worth Chamber of Commerce, and who promised to put the state administration on a business basis.

The political schemers had their day with O'Daniel. They drew the line sharply enough that the people might know. They presented their case—but the people chose O'Daniel.

Today this flour salesman stands as a national symbol. He points to the fallacy of electing professional squabblers to office. He stands for a politician-less administration of state and national affairs. He refused to pay his poll tax of $1.75 in the recent primary, and thus was unable to vote for himself. And to his critics, he bared his complete contempt for politicians when he explained his failure to pay the poll tax.

"No politician is worth $1.75," he said.

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Social Justice

AUGUST 15, 1938

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Vol. 2A No. 7

Schedule of Shrine Tours

DEDICATION DAYS

AUGUST 14—Toledo, Piqua, Sidney, Lima, Troy, Ohio.

AUGUST 21—Michigan, Wisconsin, Minnesota.

SEPTEMBER 3-4-5—National Day—for all.

MICHIGAN DAY

August 21 1938

FATHER COUGHLIN WILL HAVE A SPECIAL MESSAGE FOR THE PEOPLE OF MICHIGAN ON SUNDAY, AUGUST 21. THE MESSAGE WILL PERTAIN TO THE INDUSTRIAL AND LABOR SITUATION OF THIS GREAT STATE.

Representatives from the industrial centers of Detroit, Flint, Grand Rapids, Port Huron, Midland, Lansing and other cities and towns will be present. On Michigan Day at the Shrine of the Little Flower, Father Coughlin will celebrate a Solemn High Mass at 10 o'clock in the morning and the afternoon services will begin at 2:30 o'clock. Father Coughlin will deliver the important sermon at this time.

WISCONSIN DAY

August 21, 1938

For information regarding tour to Royal Oak, contact:
JOSEPH A. HALASKA
917½ Green Bay St., La Crosse, Wisconsin

LOCATION OF THE Shrine of The Little Flower ROYAL OAK, MICHIGAN

The Shrine of the Little Flower of which Father Coughlin is pastor, is located on the corner of Twelve Mile Road and Woodward Avenue. Woodward Avenue is Highway U. S. 10.

AFTER LEAVING THE CITY OF TOLEDO, THE BEST WAY TO REACH THE SHRINE IS TO REMAIN ON HIGHWAY U. S. 24 UNTIL YOU COME TO THE TWELVE MILE ROAD. THEN TURN RIGHT AND COME DIRECTLY TO WOODWARD AVENUE. This route avoids the heavy traffic of the city of Detroit.

PENNSYLVANIA, NEW JERSEY DELAWARE AND MARYLAND

A special tour to the Shrine of the Little Flower, will be conducted over LABOR DAY. (September 3, 4, 5, 1938.)

The fare for the LABOR DAY tour will be based upon the number of inquiries received up to MIDNIGHT of Tuesday, August 2nd.

Anyone interested in taking this trip is requested to write at once to either of the following:

THE BALTIMORE AND OHIO RAILROAD
151 S. Broad St., Philadelphia, Pa.
Telephones
PENnypacker 1900-01-02-03 RITtenhouse 4500

FLOYD M. NELLETT
151 S. Broad St., Philadelphia, Pa.
Telephone—REGent 6873

NATIONAL DAY AT THE SHRINE OF THE LITTLE FLOWER

September 3, 4 and 5

For PITTSBURGH and SURROUNDING TERRITORY

Tour to the Shrine of the Little Flower, Royal Oak, Mich. The only trip of its kind ever offered to Fr. Coughlin's followers in Pittsburgh.

LOW FARE · $13.65 · ROUND TRIP

A GREAT LAKES CRUISE Via
Penna. R. R. to Cleveland, Ohio
D. & C. Steamer to Detroit, Michigan

Including bus direct to the Shrine, 3 meals, berth in stateroom.

For more information apply NOW to any of the following:

A. J. STAUD
51 Amanda St.
Pittsburgh, Pa.
HEmlock 8307

MRS. MARIE GUCKERT
1721 Brighton Pl.
N. S. Pittsburgh, Pa.
FAirfax 1217

MRS. LOU SCOTT
400 Magee Bldg.
Pittsburgh, Pa.
ATlantic 2956 or EVergIade 5366

Special arrangements can be made to accommodate groups from surrounding districts. You are advised to write at once.

RESERVATIONS ARE LIMITED

New York and Eastern States

Labor Day Tour to Royal Oak

Round Trip Fare **$22.75** All Expense

Via the Erie Railroad and Great Lake Steamer

For More Information and Reservations Write, Phone or Wire

BRYAN B. O'ROURKE
1807 Westchester Ave.
Bronx, New York
Westchester 7-1731

ERIE RAILROAD CO.
12 West 51st St.
Rockefeller Center
New York City

MINNEAPOLIS and ST. PAUL, MINN.

August 21, 1938

Leaving Minneapolis, Saturday, August 20 at 12:30

Returning Monday evening, August 22

ROUND TRIP FARE

$25.00

Stay in Hotel one night

For more information contact:
MR. J. J. BURNS
700 Marquette Ave.,
Minneapolis, Minnesota

Father Coughlin Replies . . .

SOCIAL JUSTICE is sometimes asked:

"Are there any other papers which have anything to say about the C.I.O. and its relations with Communism?"

"The answer is Yes. May we quote an editorial from *The True Voice*, official newspaper of the Catholic diocese of Omaha, edited by Rev. Patrick J. Moran:

" 'Ever since the organization of the C.I.O., Catholics have watched its progress with increasing alarm. Its leaders at first were reluctant to take the public into their confidence and manifest the principles of their organization. They were unwilling to discuss openly its policies or practices, much less to make public the names and affiliations of its organizers and principal supporters. Almost from the beginning, frequent reports of an unquestionable character led us to believe that the C.I.O. had intimate and profound relations with American Communism. This was denied, but the reports continued and with an increasing verisimilitude.

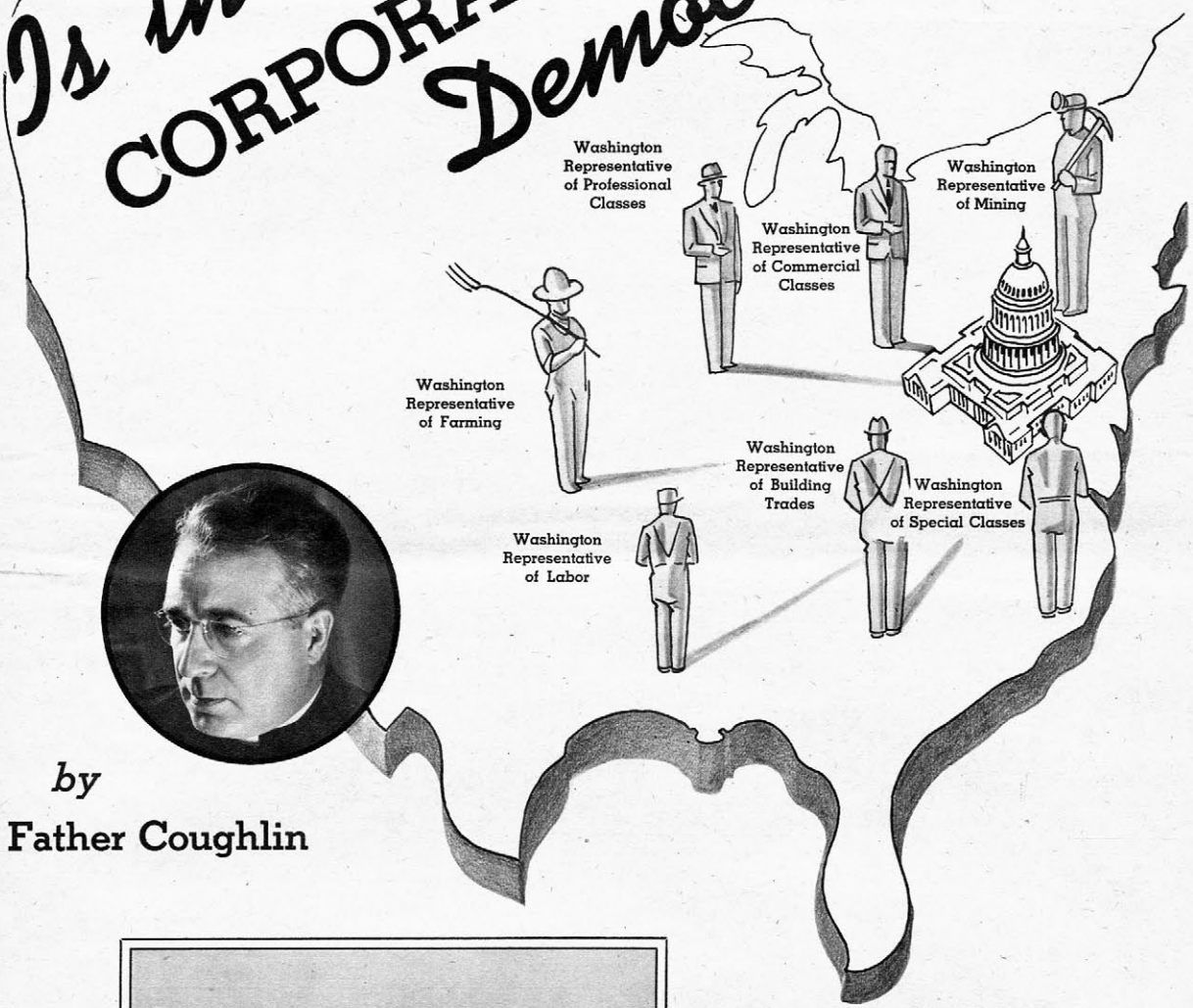
" 'Several Catholics rushed to the defense of the C.I.O. We were told that many C.I.O. leaders were fervent Catholics, that the organization represented a praiseworthy effort to put into practice the ideals of the Papal program on social reconstruction, that the criticisms levelled against the C.I.O. were partisan, the outgrowth of big business hatred and of the jealousy of the A. F. of L. In spite of these assurances, some of which came from ecclesiastics, the impression has gained ground that the C.I.O. is bound up with Communism in a manner and to an extent not reassuring to those who believe, and with reason, that any alignment with Communism and for any purpose cannot be directed towards or eventuate in the welfare of the country. We know too much of the 'boring in' methods of European Communism not to view with great anxiety any organization which permits the Reds to use it for purposes which, even on the surface, seem commendable.

" 'To add assurance to an already widely held opinion, there has appeared the report of a Special Commission of the Massachusetts State Legislature which charges that the Communist party controlled the C.I.O. transport and labor groups in that state with the purpose of "paralyzing the country in the event of war." The Commission also claims that "every indication of present evidence points to the fact that the National Maritime Union along the Atlantic Coast and in the ports of Massachusetts is controlled by the Communists." Moreover, the report adds that "in large industries organized by the C.I.O. the Communist functionaries occupy leading strategic positions through which they dominate and control the groups of which they are a part."

" 'When the officials of the C.I.O. were informed of this report they said that they were 'amazed' and that none of their leaders had been called to testify. They did not, however, question the truth of the findings. So are we amazed. If the conclusions of the Massachusetts Commission are true (they are the results of eight months' study) they become another link in the chain of evidence binding the C.I.O. with Communism.

" 'What will the Catholic friends of the C.I.O. say to this latest report? The evidence is piling up, and it is not favorable to their advocacy of Mr. Lewis. In this, as in so many other things affecting our social and economic problems, may not prudence be the better part of valor? May it not be wiser to wait and see where Lewis and his cohorts are going before we applaud and approve a movement which from so many sides should give pause even to the most temerarious?' "

Is the CORPORATE STATE Democratic?


Washington Representative of Professional Classes
Washington Representative of Mining
Washington Representative of Commercial Classes
Washington Representative of Farming
Washington Representative of Building Trades
Washington Representative of Special Classes
Washington Representative of Labor

by

Father Coughlin

In This, the Second of a Series of Articles on the Corporate State and its Application in the United States, Father Coughlin Answers One of the Questions Most Frequently Asked by Those Interested in this System of "Social Justice Government." The Corporate State, He Shows, Is Not Merely Democratic in Label—As are Nazism and Communism—But is the Highest Expression of Democracy, For it Provides Representation By Class and Individual, Not Misrepresentation by Geographical Area.

—THE EDITOR.

THERE is a vast difference between the form of government we have and that form under which the original colonists lived.

George III and George Washington were miles apart in their concept of rule. The former believed in and practiced imperial-parliamentary autocracy for the colonies. The latter fought and suffered for independent democracy.

Some philosophers maintain that democracy is the ultimate in all government. However, the definition of democracy varies from place to place, from parliament to parliament and from century to century. In other words, all men do not agree upon either the strict definition or the operation of democracy. In our day the followers of Karl Marx, endeavoring to slough off, like a serpent, the skin of Communism, now maintain that the Soviet type of government fits into the definition of democracy. The English people, enjoying a parliamentary rule, maintain that they possess a democracy even though the nominal head of English government is His Majesty, George VI, who enjoyed the right of succession.

In Germany where the people are allowed to vote at specified times, the followers of Hitler disclaim dictatorship strenuously and advertise that the Nazi state is a true democracy.

Examples can be multiplied to show that the word "democracy" has various interpretations many of which contradict the Jeffersonian concept which most of us in America accept.

After all, we are inclined to describe democracy more in the spirit of Abraham Lincoln whose immortal words—"a government of the people, by the people and for the people"—seem to fit into the American pattern and appear to offer a substantial

(Continued on page 23)

America needs this VOICE

ONLY 12 weeks remain before Father Coughlin is scheduled to open his 1938-39 broadcasting season. Never before in the history of America have his voice and his principles of social justice been as sorely needed as they are this Fall of 1938.

In a world gone mad with class strife there MUST come over the airways of the nation the words of Father Coughlin, pointing the way to justice in human life and peace among people.

Think! What if Father Coughlin were to be heard no more? What if your winter Sunday afternoons could never more be marked by that hour of TRUTH, told in periods of wondrous beauty? If he were gone from the microphone—WHO THEN WOULD TELL YOU THE FACTS ABOUT AMERICA?

For ten years Father Coughlin has taught the principles of social justice to the American people. During that time he has been aided in the great task by the contributions of millions of fellow-citizens who KNOW it is only through social justice that America can be saved.

The time has come for still greater effort. The hour of crucial battle against Communism is at hand. Today it is a battle of dollars. Unless Christians unite against the enemy of civilization, soon will come the battle of BLOOD.

The Red government of Moscow is dumping millions of dollars into the stream of Communist propaganda in this country. This poison MUST be neutralized by Christian dollars if Christianity and Americanism are to be saved from chaos and disaster.

Communism is inviting Catholics and Protestants to become Reds. Through the grossest deception of the ages, Browderites are pouring a torrent of enticing lies into the ears of UNTHINKING American Christians. Communists are even asking Christians to contribute money to aid in their own destruction.

Money is needed today to tell millions of American Christians how they are being led to national slaughter. Moscow's money must be met, dollar for dollar, or within a short time we Americans will possess NO MONEY WHATEVER—no liberty—no religious freedom—not even the right to live unless it please a Communist dictator.

Your country needs your financial help now. Your Christian Faith needs it. Honest American labor needs it now that paid Red agitators who would wreck labor are revealed in all their scheming. Father Coughlin needs it in order to carry the message of social justice into millions of American homes this winter.

If Father Coughlin is to broadcast this coming season, THERE MUST BE ONE HUNDRED THOUSAND DOLLARS ON HAND BY OCTOBER 15. Spread over the circulation of SOCIAL JUSTICE, this is not much money. A contribution to the Broadcasting Fund by every reader will assure success — but every reader MUST contribute something.

How much will you pledge to this greatest of causes? How much do you think you can contribute by October 15? This MUST be known NOW so that plans for the winter can be made.

You may either send in your contribution now, or make it in two equal payments in September and October. If you are a well-to-do person, remit $10, $20, $50, $100. If you are not well-to-do, remit or pledge yourself for what you can afford. Rich or poor, Communism is your enemy, if you are an American.

This might be one of the most important messages that has ever come to you. Father Coughlin on the radio—speaking to 25,000,000 Americans COULD SAVE AMERICA. Father Coughlin silent! Who then will speak out?

Please use the Coupon below in pledging or remitting.

SOCIAL JUSTICE PUBLISHING CO., INC.
Royal Oak, Michigan.

I wish to contribute to the 1938-39 Broadcasting Fund so that Father Coughlin may continue to spread principles of social justice in America.

I hereby pledge the sum of $..... which I am enclosing herewith or which I will send in two equal monthly remittances on September 15 and October 15.

My Name Is.....

My Address Is.....

City or Town..... **State**.....

REMEMBER—MOSCOW IS AIDING AMERICAN COMMUNISTS. SHALL AMERICAN CHRISTIANS NOT HELP THEMSELVES?

"PROTOCOLS of the Wise Men of Zion"

THE purging instituted against hundreds of thousands of wretched Jews will contribute much to crown with the halo of immortality the names of Hitler, Goering, Goebbels and their colleagues with the same dubious remembrance with which history recalls the name of Nero.

Part and parcel of the Nazi creed is the unsubstantiated belief that the Protocols were devised diabolically by representative Jewish leaders for the destruction of Nordic civilization. This insanity leaps from the same illogical mentality which attributes to German Christians and Christianity in general some sinister scheme to obstruct the progress of the German people.

It is a historic fact that the authorship of the Protocols has not been authenticated. Consequently, the authenticity of the Protocols of the Learned Elders of Zion has not been proven up to date.

Never forgetting this timely fact; and never being willing to add either my name or influence to arouse animosity against a nationless nation whose children are scattered on the shores of the seven seas, I distinguish between the authenticity of the Protocols and the existence of the Protocols which SOCIAL JUSTICE is reprinting with the ultimate objective of analyzing this widely discussed document in order that a non-Jew may contribute some small thought to prevent happening to the Jews in America what has occurred elsewhere.

Possibly enemies of the Jews conceived the Protocols. Possibly, through a combination of both Jews and Gentiles, the authorship of this bestirring document some day will be proven. In the meantime it is certain that the predictions contained within the document have been and still are being fulfilled.

Thus, my general thought upon the subject, be it welcome or unwelcome, is this: The incontrovertible answer to those who accuse the Jews of plotting against our civilization is for the Jews to join hand in hand with those of us who vigorously oppose every form of radicalism especially that of Communism.

I am convinced that both the vast majority of Jews in America and the more respectable leaders among Jewish seculars and religionists are opposed not only to Nazism but to Communism. Moreover, I understand the Jews generally manifest more opposition to Nazism than they do to Communism, for, in Germany, Jews are ruthlessly persecuted but in Russia Jews are cultivated, honored, protected and elevated to the loftiest positions.

Only Christians in Russia are persecuted. *More Christians have been slaughtered in Russia since* 1917 *than there are Jews in the entire world*—slaughtered by a government in which Jews had attained many of the higher offices.

Christians recognize the importance and the influence of Jewish newspapers on the Hebrew people who are resident in our midst. More than that, Christian publicists who scrupulously read most Jewish publications regret that their editors, as a rule, did not institute a merciless exposure of Communism even before Nazism was born and do not, even in this day, wholeheartedly and consistently renounce the modern Russian pattern even though Stalin and his commissars protect Russian Jews and militate against Russian Christians.

IF Jews, as a rule, have so much intelligence as to rise to positions of prominence in the banking profession, the medical profession and in the sciences and arts, naturally we have looked to them and their brilliant sons, who grace the editorial chairs and the pulpits of America to show as much zeal in extirpating the contamination of Communism in our midst.

This done, no American Hitler or Goering or Goebbels can ever raise the cry of "Down with the Jews!"

In printing this third Protocol, which further unfurls the plot against our civilization, the reader will note the following:

(1) Communistic dictatorship will dominate Europe.

(2) The peoples of nations will be stirred up against authority.

(3) This will be accomplished by perverting the representatives of the people in government.

(4) Political party-ism will be cultivated to divide the people upon confused and useless issues.

(5) Congress or Parliament will be turned into a debating society.

(6) Fictitious rights for the people will be publicized.

(7) In the name of freedom of speech, freedom will be assailed.

(8) Socialism, Anarchy and Communism alone will be advocated.

(9) Social masonry, or social security, will be advocated but the real end will be to starve the people.

(10) Class hatred will be encouraged.

(11) Universal unemployment will be engineered.

Following is the third Protocol:

"The Symbolic Snake and its significance. The instability of the constitutional scales. Terror in the palaces. Power and ambition. Parliaments "talkeries," pamphlets. Abuse of power. Economic slavery. "People's Rights." Monopolist system and the aristocracy. The Army of Mason-Jewry. Decrescence of the Goyim (Gentiles). Hunger and rights of capital. The mob and the coronation of "The Sovereign Lord of all the World." The fundamental precept in the programme of the future Masonic national schools. The secret of the science of the structure of society. Universal economic crisis. Security of "ours" (i.e., our people; Jews). The despotism of Masonry—the kingdom of reason. Loss of the guide. Masonry and the great French Revolution. The King-Despot of the blood of Zion. Causes of the invincibility of Masonry. Part played by secret Masonic agents. Freedom.

"Today I may tell you that our goal is now only a few steps off. There remains a small space to cross and the whole long path we have trodden is ready now to close its cycle of the Symbolic Snake, by which we symbolize our people. When this ring closes, all the States of Europe will be locked in its coil as in a powerful vise.

"The constitution scales of these days will shortly break down, for we have established them with a certain lack of accurate balance in order that they may oscillate incessantly until they wear through the pivot on which they turn. The goyim are under the impression that they have welded them sufficiently strong and they have all along kept on expecting that the scales would come into equilibrium. But the pivots—the kings on their thrones—are hemmed in by their representatives, who play the fool, distraught with their own uncontrolled and irresponsible power. This power they owe to the terror which has been breathed into the palaces. As they have no means of getting at their people, into their very midst, the kings on their thrones are no longer able to come to terms with them and so strengthen themselves against seekers after power. We have made a gulf between the far-seeing Sovereign Power and the blind force of the people so that both have lost all meaning, for like the blind man and his stick, both are powerless apart.

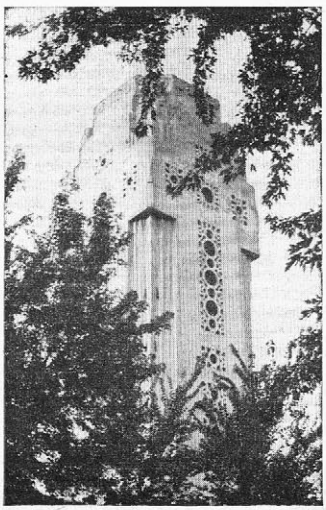
"IN order to incite seekers after power to a misuse of power we have set all forces in opposition one to another, breaking up their liberal tendencies towards independence. To this end we have stirred up every form of enterprise, we have armed all parties, we have set up authority as a target for every ambition. Of States we have made gladiatorial arenas where a host of confused issues contend . . . A little more, and disorders and bankruptcy will be universal . . .

"Babblers inexhaustible have turned into oratorical contests the sittings of Parliament and Administrative Boards. Bold journalists and unscrupulous pamphleteers daily fall upon executive officials. Abuses of power will put the final touch in preparing all institutions for their overthrow and everything will fly skyward under the blows of the maddened mob.

"All people are chained down to heavy toil by poverty more firmly than ever they were chained by slavery and serfdom; from these, one way and another, they might free themselves, these could be settled with, but from want they will never get away. We have included in the constitution such rights as to the masses appear fictitious and not actual rights. All these so-called "People's Rights" can exist only in idea, an idea

See PROTOCOLS page 20

FROM THE TOWER



NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

Rev. Chas. E. Coughlin, LL.D.

EDITORIAL COUNSEL

(By Permission of His Superior)

Published by The Social Justice Publishing Co.

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.
Just, living, annual wage.
Nationalization of important public resources.
Private ownership of all other property.
Control of private property for public good.
Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.
Restoration to Congress of its sole right to coin and regulate the value of money.
Cost of living maintained on an even keel.
Cost of production plus a fair profit for the farmer.
Labor's right to organize.
Recall of non-productive bonds.
Abolition of tax-exempt bonds.
Broadened base of taxation on basis of ownership and capacity to pay.
Simplification of government and lower taxes.
Conscription of wealth as well as men in event of war.
Sanctity of human rights preferred to sanctity of property with government's chief concern for the poor.

The Archdiocesan New World of Chicago

CATHOLIC journalists and laity were equally shocked to read the July 28 edition of the Chicago archdiocesan official newspaper *The New World*. At least the major portion of page six should have been printed in red ink insofar as it dealt disparagingly, contemptuously and unfactually with the common Christian attitude on several current questions which are agitating the American mind.

The article referred to found the author speaking in the name of *The New World* and substantiating his thoughts in every instance by reference to Communistic periodicals. So flagrantly did he employ such references and so abstemiously did he refrain from quoting Christian periodicals and the Christian viewpoint that we are forced to categorize him amongst the Marxian Catholics who wrought their damage in Spain and Mexico and who are boring from within the ranks of the Church here in America.

Quoting *The Nation*—a leftist magazine—the author began mildly his attack against Catholic thought by assailing Jane Anderson and Aileen O'Brien, two well-informed personages on the Spanish situation. He inferred that Jane Anderson was nothing more than a Spanish spy although it is well known among the informed that Miss Anderson, who reported the affairs of the civil war in Spain, was correspondent for an English journal, was imprisoned by the Loyalists and witnessed the desecration of priests and nuns, which desecrators the archdiocese' *New World* inferentially applauds.

Quickening his tempo of attack, the author again quotes *The Nation* using its words, sentences and paragraphs to scourge the Catholic journalists of America and their efforts expended upon preventing the showing of the propaganda picture "Blockade." All who have seen this film recognize it as nothing more than dastardly propaganda in behalf of the Loyalist government in Spain. This is true although no names of definite characters are mentioned because the composers of this red picture are sagacious enough to appeal to the imaginations of the audience.

Hastening to his task of perverting truth, *The New World* writer approaches the subject of the C.I.O. only to castigate those Catholics and Protestants who find fault with this organization, not only insofar as it has appealed for Communist support but insofar as the chief organizer of the C.I.O. — a Catholic — has been notorious for appointing Communist organizers all over America. The findings of Homer Martin in the U.A.W. mean nothing to *The New World* of Chicago. Sitting at his editorial desk far distant from the actual happenings, this sapient gentleman would have his readers believe that he is better informed on this subject than those who have played, and are still playing, a major part in the inner circles of C.I.O.-ism. Probably he never heard of the 345 unauthorized strikes which the Communistic leaders of the U.A.W. originated in one year over the territory in which the U.A.W. is interested. Probably he never read the contract signed by the U.A.W. and the various branches of the motor industry, which contract, as respecting the 345 strikes, had pledged to forego striking. Probably he is interested only in accepting Earl Browder's invitation for Catholics to join hands with Communists and thereby make friends of the mammon of iniquity.

The climax of the archdiocesan *New World* article is reached when its Marxist Catholic writer has occasion to mention Hemingway's literary filth which is entitled "To Have and Have Not." This book is not only salacious, scurrilous and impure. It has the distinction of containing the most loathsome four or five pages in all current literature—so loathsome it probably would actually nauseate a strumpet as she plied her trade.

Respectable Christians all over this nation protested against the obscenity and filth of this literary pigsty. *The New World* now infers that no one can claim culture unless he or she reads it.

From Aspasia down through Boccaccio and to the limits of the foul dime literature which disgraces the book-stalls established to pander to morons, no literary work ever has surpassed "To Have and Have Not" in its indecency. *The New World* in Chicago, with a sickening effort to win the favor of the Communist betrayers of civilization thinks differently.

Finally, the article to which we refer in this Catholic publication comes forth with a reference to the magazine *Ken*—the same unwholesome periodical which attracted the attention of America by its consistent defense of Communistic ideology and its immoral condonation of fornication as a profession.

How far have we Christians gone when we are forced to say that even in some so-called Catholic official publications we cannot escape the filth of Communist propaganda and the sentiments so enticingly expressed by a paragraph panderer who has even a kind word to say of "To Have and Have Not."

The Communist policy of "boring from within" is approaching its acme when a so-called Catholic publication devotes itself to casting aspersions on the entire Spanish hierarchy, rather than upon defending the priest heroes of war-torn Spain, thousands of whose clerical brothers have been massacred by erstwhile fellow Catholics, who think as does the gentleman who contributed the boastfully copyrighted article which has disgraced the archdiocesan *New World*.

God and Wallace

THE *Catholic Daily Tribune* of Dubuque, Iowa, of July 30, 1938, prints the following lead editorial:

"From the address of Secretary of Agriculture Henry A. Wallace, delivered at the closing exercises of the Dubuque Archdiocesan Centennial, we wish to emphasize the following thoughts:

" 'In 100 years of existence, Iowa has lost 50-billion tons of her topsoil.

" 'We despoiled our land as rugged individualists. By counseling together we can discover methods of farming which will best protect the people in the state, on the farm and the voiceless soil.

" 'The ever-normal granary is of especial value to corn farmers because it will tend to make the supply and price of corn more uniform from year to year and therefore will tend to furnish a more uniform supply of livestock from year to year.

" 'No one has recognized more clearly than Pius XI the need of a balanced harmony between the classes as distinguished from the laissez-faire of old fashioned liberalism.' "

We knew it would come to this. It was only a matter of time until some sophomore would quote Pius XI to support Secretary Wallace and his policy of destructionism.

"Give us this day our daily bread," so taught the Master. "Take back Your bread, burn Your corn and wheat, even though one-third of our population is under-nourished," so teaches Mr. Wallace.

A Press Agent Fallacy

CHARLES MICHELSON, publicity director for the Democratic National Committee, recently made the statement "that the United States could have a public debt of $90-billion and still be as solvent as Great Britain. Instead of being on the verge of bankruptcy, we are, by an immense margin, the most solvent country in the world."

This is a threadbare line of defense behind which professional politicians seek to hide. They neglect to point out that in Great Britain the national income tax is higher than in the United States, the two countries are not comparable and, further, their inferences are not borne out by the facts.

According to Howard Wood, financial analyst, although the British income tax rates on moderate incomes are higher than in the United States, the total tax bill in Great Britain in 1937 was 19.6 per cent of the estimated national income. Further, during the eleven years since 1926, when the total tax load in this country was rising from 10.8 per cent to 18.2 per cent of the national income, the tax load of Great Britain actually dropped from 20.3 per cent to 18.6 per cent.

Finally, reliable estimates made by those in a position to know, indicate that for 1938 when national income will be lower, due to the severity of the recession for the first six months, taxes in this country will be higher than ever with a figure placed at 24.1 per cent of the national income to be consumed by the tax collector.

Mr. Michelson, like so many professional politicians, who juggle principles and facts for the plaudits of the exploited people, also loses sight of the fact that the total Federal, state and local tax exempt debt is approximately $57-billion, or about $1800 per family.

The exploited individual is confused by the complicated manner in which taxes are levied. He may pay only a small proportion of his taxes directly, but the tax is extracted from his meager earnings indirectly. The banks and insurance companies who are well able to pay are exempt from paying any taxes on the $57-billion, but the people are called upon to pay them a usurious interest.

The pity of the situation is that the Federal spending has now reached such astronomical proportions that it is practically meaningless to the average person. He only knows he is caught between the hammer of diminishing and unstable income and the anvil of increased taxation. Finally, it must be remembered that the greater the tribute levied the more the source of the government's own revenue is threatened. Those who are striving to plunge this nation into inevitable bankruptcy know these things, but they desire it because the easiest time to change a form of government is under the pressure of a financial crisis. That day will be in our midst by 1940.

It is inconceivable that President Roosevelt does not know these things for he said at Albany, New York, on July 30, 1932:

"Revenues must cover expenses by one means or another. Any government, like any family, can for a year spend a little more than it earns. But you and I know a continuation of that habit means the poorhouse. Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits!"

The Week in the World

MEN and EVENTS

Russo-Jap War?

THE smouldering fire of war between Russia and Japan which has flared in many border incidents since 1931 finally has burst into flame. The latest border incident involves the territory in the vicinity of Changkufeng in Manchoukuo, taken over by the Japanese in the 1931-1933 campaign.

One of the most serious incidents occurred in June-July, 1937, when gunboats and troops were in conflict over the sandy islands of Sennufu and Bolshoi in the Amur River.

After five days of tension, however, an agreement for mutual evacuation of the disputed area was reached to allow discussions on demarcation of the frontier.

The present incident began on July 11, 1938, when Soviet forces were alleged to have moved six miles into Manchoukuan territory and started construction of fortifications.

Japan and Manchoukuo demanded withdrawal of the troops. A Tokio official said Japan was prepared to take "stern measures" if demands were not met.

A further protest from Tokio was sent to Moscow July 19th. Two days later Russia bluntly rejected it as "unjustified and unacceptable." A map attached to an 1869 treaty between Russia and China was submitted as evidence that the disputed territory was Russian.

Despite the declaration that "Japan is ready and has every right to take all necessary steps," Soviet Foreign Commissar Maxim Litvinov (nee Finklestein) replied that although threats of armed force might be good diplomacy elsewhere "such methods will not succeed in Moscow."

Tension subsided. But on July 23 reports to Moscow from Khabarovsk asserted two Japanese-Manchoukuan motorboats on July 21st had violated the frontier near the settlement of Vidnoye and landed a military detachment on the Soviet Island of Faingov. Later, the reports said, a Soviet cutter passing the island was fired upon as it was moving in the Ussuri River past the island.

A Tokio version of the same incident charged that about sixty Russians had landed from a gunboat in the Ussuri River on July 21st and, after being reinforced, on the following day invaded Manchoukuo.

Soviet Surge

The next event in this incident took place July 29th. Both Moscow and Tokio endeavored to minimize the recurring clashes, and statements were issued to the effect that efforts were being made to reach a peaceful settlement.

It seemed to be only another border incident until Soviet Russia attacked Changkufeng with fast moving tanks, heavy artillery and airplanes, and Soviet infantry surged from the South.

The Japanese War Office in a statement signed by the Minister of War, General Seishiro Itagaki, stated "we consider the situation exceptionally serious although all attacks thus far have been repulsed."

Japan has an ace in the hole in that she is prepared for such a war. The Kwantung Army, estimated at 500,000 men, and rated as the empire's best, still is intact. Further, it is reliably asserted that Japan has bomb-proof armament warehouses and ammunition stores cached in the hills along the border. Military observers state that the Kwantung Army which has been the guardian of the Manchoukuo territory, is so well prepared that they could fight for at least two years as an independent unit, almost without assistance from Japan proper.

It is questionable whether Moscow feels that it has reorganized its army high command so that its efficiency has recovered from the "shock" of the Stalin purge. Morale is an important factor from the Russian standpoint. If Russia cannot depend upon loyalty of her military commanders her efforts at warfare will be futile.

In the meantime, Stalin and his advisers are wary of becoming too involved with Japan because it leaves the Soviet western border open to Germany. If this comes to pass, Russia will be caught between Japan on the East and Germany on the West and the world once more will become a cauldron of war.

LORD RUNCIMAN, former president of the British Board of Trade, who will act as mediator in the Sudeten German minority crisis. Runciman, known as pro-German in some quarters, denies this allegation. He was accepted readily by the Czechs.

Czechoslovakia

VISCOUNT Runciman, former president of the all-powerful British Board of Trade, and as such a cabinet officer, has been designated by the Chamberlain government to go to Czechoslovakia as Mediator between that republic and the Sudeten Germans. His job is to endeavor to straighten out their dispute which is loaded with dynamite as far as the European picture is concerned.

According to Joseph Driscoll in the *New York Herald Tribune*, the idea of sending the one man Runciman mission to Prague is credited to Sir Horace Wilson, one of two or three civil servants in Whitehall who exert much more influence on high government strategy than do most cabinet members.

It was Sir Horace Wilson who, behind the scenes and without publicity, did so much to bring Chamberlain and Premier Benito Mussolini into direct communication, and pave the way for the Anglo-Italian accord of last Easter, which Chamberlain may implement before Parliament reconvenes in November.

Just as the Easter accord was intended to restore Anglo-Italian friendship, so is the mission to Prague intended to keep Germany at peace. These are the main lines of Chamberlain's foreign policy—to obtain peace with Germany and Italy, while preserving the existing alliance with France.

Assignment of Lord Runciman to Prague is interpreted in London as an indication that further pressure is to be put on the Czechs to grant autonomy to the Sudetens. Knowing well Chamberlain's point of view, Runciman also has a wide background from which to execute it. He speaks German and likes German operas. He reputedly is pro-German, but denies it indignantly.

The sovereignty of Czechoslovakia must be maintained by Great Britain and France for their own sakes, for, if Germany is successful in obtaining domain over the Czechs and establishes her influence in Southeastern Europe, Germany no longer will need to fear effects of a British naval blockade.

Czechoslovakia stands as a barrier blocking Germany's drive to the East, and the Sudeten Germans are one of the levers by which Hitler seeks to remove this obstacle from his path. If Hitler can bring Czechoslovakia into the German orbit, the path opens for him to obtain Rumania's rich petroleum, Hungary's wheat fields, and Yugoslovia's immense mineral resources.

Bulgarian Barrage

RESORTING to a novel method of informing the world that Bulgaria had cancelled the post-war absurdity known as the Treaty of Neuilly, signed, November 27, 1919, Bulgarian Premier George Viosseivanoff had 50 army planes shower leaflets on the capital. They stated that: "The war clauses of the Treaty of Neuilly no longer exist. This great success is due to the wise leadership of King Boris III who accomplished it at the proper time and in the proper way."

The Treaty was signed by Greece, Rumania and Yugoslavia, but not by Turkey. It also was signed by Great Britain, France, and Siam as well as by President Wilson, deceived by Col. House and his advisers. Under its terms, Bulgaria's army was limited to 20,000 regulars, 10,000 gendarmes and 3,000 frontier guards—little more than an internal police force.

Along with this public proclamation of the cancellation of the war clauses of the Treaty of Neuilly, comes the news that a new Bulgarian-Balkan Entente agreement has been made. The following official communique was released.

"Bulgaria and the states of the Balkan Entente (Turkey, Greece, Yugoslavia and Rumania) hereby undertake the obligation of abstaining from violence in settling their mutual relationships in the sense of a pact already signed by these countries and which concerns the question of non-aggression.

"Further, the parties renounce application of the stipulations in Article 4 (military, maritime and air clauses, of the Neuilly Treaty and those contained in the convention of Lausanne signed on July 24, 1923, regarding the borders in Thrace."

Contributing reason for these smaller nations reaching an entente is the startling example of Austria. Neither France nor Great Britain came to the aid of Austria in her hour of need.

Grecian Aftermath

A minor revolt in the island of Crete, almost instantly crushed by the appearance of Greek airplanes over the trouble zone, had this interesting aftermath: Premier John Metaxas will be premier for life.

Press Minister Theologos Nickoloudis, made the official announcement. Although it generally was conceded that Metaxas, 68 years old, intended to make his position a life job, the official statement was the first public utterance to that effect.

Unrest in India

UNREST continues throughout the length and breadth of India. Latest example was the rioting between Burmese Buddhists and Indian Moslems which resulted in 40 deaths and nearly 500 injured. All traffic was paralyzed and street fighting continued intermittently until the arrival of British troops, who set up an iron tribunal of machine guns at strategic points, while armored cars patrolled the streets. The cause: Alleged publication of a book by a Mohammedan which, it was said, insulted Buddhism.

Beyond this, however, is the unbearable oppression the people of India are suffering under the continued exploitation of the House of Sassoon, as reported in the recent series in SOCIAL JUSTICE on the "Tragedy of Mother India."

London Muses

ACCORDING to the Associated Press, the London newspapers put unusual emphasis on the twenty-fourth anniversary of Great Britain's declaration of war against Germany.

The *London Times* in a review of the world situation declared that "as year after year passes, international conditions do not grow less, but rather more akin to those of the immediate pre-war period."

The *Express* stung the gold hoarders in these terms: "Now, a quarter century after, the panic mongers of finance are still perpetuating the miserable fear that seized them at the outbreak of the world war, fear for their worldly possessions."

The *News Chronicle* comments: "A new world is closing in on contemporary youth. It is a restless, fascinating, swift-moving, frightening, formidable world which gives no quarter and may at any moment burn up millions of its youth in the fiercest conflagration of all time.

The *Herald* declares "The young men and women of Great Britain are dangerously near coming to think of the war and therefore of any possible future war as a great and glorious adventure . . . It was a bitter lesson we learned and those of us who have any influence at all over the minds of youth would do well to see there is no self-deception about the glory and romance and glamor of carnage."

The statement by the *London Times* is most thought-provoking. Why are international conditions again shaping themselves so like the pre-war days of 1914 and what are the forces behind these conditions? It would be good to find out. And in all probability they are the same forces that manipulated the political puppets of 1914. No wonder Disraeli was forced to remark: "The world is governed by personages quite different from those imagined by people whose eyes do not see into the wings of the theatre of life."

The Week in the News

AGRICULTURE

Tobacco Taxes

THE hue and cry that should have been raised when the marketing penalty provisions were put into the AAA of 1938 have at last eventuated. Tobacco growers in Florida and Georgia who have been brought face to face with the practical application of this particular Wallace theory, have united in protest. The suits initiated against the AAA by growers both in Georgia and Florida sought to prevent the government collection of a tax on the sale of produce not allowed by the "quota" system. Courts in both states gave the farmers temporary injunctions against the collection of penalty taxes.

Although some department of agriculture publicity men contend that a farmer can raise as much of a product as he chooses, the actual regulations concerning marketing say:

"Each farm operator will be given a marketing card showing the amount of tobacco he can sell without penalty.

"The penalty is 50 per cent of the sale price; or 3 cents a pound, whichever is higher . . .

"A farmer who has a quota exceeding the tobacco available for marketing may authorize the transfer of that part of his quota not needed . . . If quotas are transferred from one farm to another through direct negotiations between the operators of the farms concerned, the consideration for the transfer may be whatever the operators agree upon. If a warehouseman acts as agent in the transfer, the rate of consideration is fixed at 5 cents per pound."

In other words, if a farmer does not care to raise 2,000 pounds of his quota, he can exchange his privilege of selling that 2,000 pounds to some other producer who has that extra amount for 5 cents a pound. The law allows one farmer to collect $100 for not raising 2,000 pounds of tobacco from the poor fellow who was industrious enough to do so.

The present suits, brought on by the abundant yield this season, challenge the AAA on the ground that "Congress assumes authorities not directly granted by the Constitution."

Georgia tobacco producers were given a quota of 76-million pounds and have a crop of between 90-million and 100-million pounds. Florida growers have an 18-million pound crop and a quota of only 11-million pounds.

California Combat

Farmers of California do not want strikes. They are so definitely decided upon it, that 50,000 of them have united to prevent them. Their organization, the Associated Farmers of California, was formed to protect farmers from losses in unjustifiable strikes on farmers and in plants handling farm products. At present the organization is working for the passage of a proposed anti-picketing law.

"It is a people's battle," says the organization, "and the people will be led by the farmers against dictatorship by force and coercion.

"Labor racketeers are going after farming areas where the product is perishable and where a man can use the results of a year's work in a week,"

SENATOR ROBERT LA FOLLETTE of Wisconsin, owner of a name vaccinated against political defeat in his state, is vigorously conducting the summer investigations of his "civil liberties" committee. Last week the Senator summoned city and district officials of Monroe, Mich., in the course of an investigation which seeks to prove that the C.I.O. was justified in its wholesale importation of pickets for the steel strike in that city last year.

further explained Col. Walter E. Garrison, president of the organization.

"We are not opposed to legitimate labor unions, but we are going to fight the racketeers. This is not a vigilante movement, but just the opposite. The farmers want a square deal and want officials who will fulfil their oaths of office."

According to Fred Goodcell, secretary of the Associated Farmers, about one third of all California farmers are included in the organization, but this third owns and operates about 80 per cent of the land in the state. On the factory farms of this one third, estimated the secretary, there is produced half of the nation's fresh fruit, most of its dried fruit, and about 70 per cent of all canned food.

Farming is California's chief industry, which last year produced a gross revenue of $660-million. The farmers, tired of the constant wrangling caused by the dual unionism sponsored by C.I.O.-ers, on the west coast, are in favor of breaking the power of union labor if necessary, before it breaks them.

The Associated Farmers movement, opposing the closed shop and hiring halls, has organizations in Washington, Oregon, Nevada, Arizona and Minnesota, and Col. Garrison is now carrying his organization work into Kansas, Missouri, Illinois, Indiana, Ohio, Michigan and Wisconsin.

Uncontrolled Floods

A bit of trust-busting of a different kind has been effected in the area of the lower Colorado river. Trusting Texas farmers believed the government when it said that the $20-million P.W.A. dam projects would stop floods. They set out their crops and to their dismay, 12,000 fertile acres were flooded by rains and the crops ruined.

The no longer trusting Texans have now organized to demand an investigation of the Lower Colorado authority which, they claim, brought on the flood by piling up water behind the dams for electricity purposes. Just as specific in their objections to having the investigation conducted by Secretary Ickes and his Interior department, the farmers asserted their determination to have an "impartial investigation."

They are not at all unconvinced that the authority is deliberately keeping the dam full for generation of hydro-electricity. It is generally believed that the authority is so devoted to the power project that it will construct transmission lines to carry the current to consumers, even if it means duplicating the present power facilities and letting flood control suffer.

Speaking for the disillusioned Texans, County Judge E. A. Arnim of Fayette county said: "We are going to demand that these dams be used first of all for flood control. Power should be secondary, and fishing and boating purely incidental."

TRADE

Hull Reciprocity

STILL on the defensive for reciprocal trade treaties, Secretary of State Cordell Hull has again confirmed his faith in that method of securing "world peace." Mr. Hull criticized those who have opposed the treaties in an attempt to "befuddle and confuse the millions of farmers." The secretary reported that farm imports for the first six months of 1938 totaled $476-million as compared with $419-million in farm exports. He reasserted that attempting to preserve "the American market for the American farmer" was "particularly dangerous."

American farmers who have watched the consumer demand for farm products here increase, and the chance for "world peace" abroad diminish, just cannot see Mr. Hull's point at all.

In connection with reciprocal trade, the State department has announced the conclusion of a renewed trade treaty with Soviet Russia, by which Russia promises to spend $40-million on United States products during 1938. The United States agrees in turn, to accord to the Stalin government our unconditional most-favored nation treatment, giving it the benefit of all U. S. tariff reductions.

The treaty discussion has again brought up the question of the coal producers. The agreement allowing the importation of 400,000 tons of Russian coal was renewed last year, even though it was found to cost $1,200,000 to American miners, $2,300,000 to American producers, and $1,400,000 to American railroads.

This year an American producer challenged the right of the Soviets to the tax exemption ($2 a ton) on these 400,000 tons of coal, but his objections were referred to the Treasury department and the treaty was renewed.

PRESS

Commonweal

NOT long ago *Commonweal*, an American review, adopted the attitude of neutrality toward the Spanish war, which expression has had repercussions even in France and England.

Quoting M. Bernard Fay, a professor in the *College de France*, the *Catholic Herald* of London, England says:

"It is not true that it is impossible for us Catholics to be informed on the Spanish question. The letters of the Spanish bishops, the statements of the Pope, and the sending of the Nuncio to Salamanca show clearly enough that the Catholic hierarchy has spoken in no uncertain terms.

"The danger of being taken for Fascists is much less serious than the danger of being taken for cowards, and is less to be feared than the sin of disowning out martyrized brethren. A long time before the *Commonweal* committed it, another man decided to take no sides between a regularly organized power and a martyr. His name was Pontius Pilate. I do not believe that the gospels condone him."

Conferees Abroad

While Americans were wondering what was happening to the war debts situation, Joseph Kennedy and Henry Morgenthau, both of whom admittedly know little about money, are dealing with Londoners who know exactly what is involved and exactly what they want, and using powers of the United States Congress to set what our price level shall be in the future.

The financial columns of a Swiss paper, seeming to have complete information from international banking channels, report that the proposal to be made is that a loan settling the debt of Great Britain is to be put out payable in pounds and dollars, thus tying the dollar and the pound in fixed ratio. This will mean that by agreement with diplomats our farmers are frozen in a straight-jacket of monetary disadvantage over the principal agricultural and raw material territories of the British Empire.

Publicity Outside

To combat propaganda in Latin-America by the so-called fascist states, the U. S. Department of State has set up a new division of cultural relations. The new division will be expected to take care of the "distribution of libraries of representative works of the United States; supervision of government participation in international radio broadcasts; the general dissemination abroad of representative intellectual and cultural works of the United States and the improvement and broadening of the scope of our relations with other countries."

Although a proposal to get the government a short wave radio station to influence politics in South America was defeated in the last Congress, it appears that the real intent of the Congressional decision will not hamper the new division.

The new bureau's chief objective is to halt the growth of "fascism" in Latin-America, and to promote "democracy" (not Mr. Browder's kind, we hope).

No More Spouting

Representative Martin Dies of Texas, chairman of the un-American activities investigating committee has announced that he will not subpena Earl Browder, the Communist, and Fritz Kuhn, leader of the German-American Bund, or any of the fascist leaders to testify at his hearings.

"We are not going to afford these fascists, nazis and communists a sounding board to come in here and blow off to get publicity and advertising for their groups.

"We've got enough evidence already without their testimony. Neither are we going to let a lot of cranks come in and make this a smear session."

PENNIES *from the New Deal* HEAVEN

by LAWRENCE LUCEY

Mr. Lucey has "Weighed" the Nation's Social Security Laws in an Exhaustive Study of the Subject, and has Found Them "Wanting." In This Companion Piece to His Article on Youth and Social Security, Mr. Lucey Explains the "Financial Hocus-Pocus" Behind the Federal-State Unemployment Insurance Act.
- THE EDITOR

JAMES J. KLEIN, an unemployed Brooklyn tool and die maker, popped into the New York papers in a friendly photograph for the first, and probably the last time, February 2.

Mr. Klein was not fortunate enough to hold a ticket on the winner of the Irish sweepstakes, nor was he unfortunate enough to be on trial for his life. What made this unemployed tool and die maker news was a check for $15 he was about to receive. Mr. Klein was the first of New York's jobless to be mailed an out-of-work benefit under the new state unemployment insurance law.

Mr. Klein and the millions of other jobless people throughout the nation who are receiving from $5 to $15 per week for a few months of unemployment must think that the New Deal and President Roosevelt are mighty generous, humanitarian souls. They may find it a bit topsy-turvy or unusual to be paid without working, but they cannot help but be impressed by these pennies from the New Deal heaven.

Of course there is a joker in this hand that has come from the New Deal pack of marked cards just as there was a joker in the benefits paid the farmer for killing squealing pigs. In fact nearly every New Deal law is composed of castor oil coated with tasty, mouth-watering chocolate.

To put this check for fifteen dollars into the hands of Mr. Klein the Corcorans and Cohens, or whoever the authors of the Social Security Act were, set up a holding company scheme that makes the house that Insull's lawyers built seem as simple as a grade school problem in addition. When this bill was before Congress the rubber stamps voted for something they did not understand. This was admitted by Congressman Samuel Hill who served on the House Committee that approved this bill. The *New York Times* has called this law "financial hocus-pocus."

What the lawyers who wrote the unemployment insurance law had to do was devise a scheme that *appeared* to give the states the right to manage their own out-of-work benefits and at the same time, discreetly to be sure, keep control of this law in Federal hands. Then they had to pay workers benefits in order to cloak the fact that most of the money collected in taxes—and it amounts to a billion dollars per year now—was being taken by the government. These purposes were accomplished to the President's taste by the unemployment insurance sections of the Social Security Act.

When the unemployment compensation clauses of the Social Security Act were being drafted, its authors were confronted with this problem: There are a great many people in this nation who believe the Federal Government already has gone too far and the states are gradually losing all their rights and powers. Also, the Federal Government is not as well equipped to pay benefits to insured workers as are the states.

To placate the states' rights people the authors of the law decided that the states would administer the unemployment insurance laws but control would be in the hands of the Federal Government. The next problem to be faced was how to get the state legislatures to enact unemployment compensation laws. This was accomplished by a tax scheme that held a club over the heads of the states and made it profitable for the states to enact unemployment insurance laws. This tax club was so efficient that in less than two years after the passage of the Social Security Act forty-seven states, the District of Columbia, Hawaii and Alaska enacted these laws. Wisconsin's law preceded by a few years the Federal statute.

BY this scheme the Federal Government levied a tax on the pay rolls of employers in the territory of the states. This tax progressed from one per cent for 1936 to two per cent for 1937 to three per cent for 1938 and after. But it was also provided that if the states enacted their own unemployment insurance law and collected a pay roll tax, ninety per cent of the Federal tax would not be collected. An employer would be allowed to offset his Federal tax by showing that he had paid the state tax. An employer who paid a state tax would be charged only one-tenth of the Federal tax.

By this clever tax scheme the states that ordinarily would never dream of enacting an unemployment insurance law were coerced into doing so, and the progressive states that would like to enact such a law but held back because they feared business would leave their state were free to write a law insuring their workers against unemployment.

But, and here is the joker, the states after collecting this pay roll tax are not permitted to hold it; it must be turned over to the Federal Government and the states are credited with the amount so deposited. When a state needs money to pay benefits to its unemployed it must go with its sovereign hat in its hand and beg for money—the money it has collected—from the Secretary of the Treasury.

This diabolically clever tax scheme permits the states to collect taxes and pay benefits to the unemployed but the states are not permitted to hold the money they have collected. The Federal Government assumes the role of the step-mother. Step-son brings his pay envelope home every pay day and throughout the week he receives a half dollar per day for train fare and lunch money.

By taking hold of the purse strings, the Federal Government is able to control the states and by letting the states collect taxes and pay benefits it leaves them the hollow shell of states' rights. If the states are responsible enough to collect taxes and pay benefits why are they not also sufficiently trustworthy to hold these taxes and set up their own unemployment trust funds?

By this "financial hocus-pocus" the Federal Government becomes a holding company and the fifty-one states, territorial and district governments become operating companies that do the work of collecting the money and paying the bills but are controlled in body and soul by the Federal Government, the parent holding company. If the holding company set-up is wrong for the utilities and other concerns, as the New Dealers have taken great pains to show, it is likewise wrong for the Federal Government to become a holding company in the matter of unemployment insurance.

Other than the obvious wish to control this billion dollar per year fund so that it may be used to finance the Federal Government, I have found only one other explanation of the unemployment "trust" fund. This explanation is found in a pamphlet issued by the Social Security Board and appears in question and answer form.

"Q. Why don't the states keep their own funds?"

"A. It was estimated that over a period of years substantial sums might be accumulated under state unemployment compensation laws. Congress thought it essential that such funds be paid over into the unemployment trust fund to avoid sudden and uncoordinated liquidation of many separate funds in times of widespread unemployment with the resultant threat to Federal fiscal policy and danger of increasing unemployment. By paying these funds into the unemployment trust fund in the United States Treasury, *states are assured security of investment and constant availability of their funds.*"

This is an attempt to rationalize a legal robbery just as criminal lawyers try to explain illegal robberies. Except for the important fact of control it does not matter whether funds are withdrawn from the state or Federal treasuries to pay benefits. The catastrophe of a trust fund without any money in it will be the same whether the fund is held by the states or the Federal Government. Should one state need more money than it has on deposit it cannot withdraw the funds of another state for the Social Security Act expressly prohibits this.

Will these funds be more secure in the Federal than in the state treasuries? They are not secure in the Federal fund for they are being spent as fast as they come in. They are not set aside and ear-marked in any way. They are being used to meet the expenses of running the Federal Government just as the income and nuisance taxes are. As the *Times* said, these funds may now be part of the Grand Coulee Dam, the roads built by the WPA or in the pocket of a naval officer as his pay.

IN addition to the tax collected by the states and turned over to the Federal fund there is also a direct Federal tax on pay rolls which the Federal Government collects itself. This tax now amounts to three per cent of a pay roll.

This money, collected directly by the Federal Government, is in part turned back to the states for the purpose of paying salaries to the employees of the state unemployment insurance boards and other administration expenses. Thus these boards are controlled by the New Dealers. The part of this tax that is not used to administer state laws is pocketed by the Federal Government.

Industrial Commissioner Elmer F. Andrews, the spokesman for the New York unemployment insurance board, bravely pointed to this Federal raid on this tax money in a speech delivered in Boston on February 16 of this year. Said Commissioner Andrews in the face of the fact that he might be removed from office by the New Deal for speaking his mind:

"The Federal Government . . . cannot help but profiteer on unemployment compensation to the extent of $118-million through 1939 and $50-million a year thereafter."

It certainly is "financial hocus-pocus" when the Federal Government collects money in the states to be turned back to the states, and the states collect money to be turned over to the Federal Government and later returned to the states. It is highway robbery for a law, under the mask of unemployment insurance, to be used for profiteering purposes by the Federal Government.

Abraham Epstein, secretary of the American Association for Social Security, and a pioneer champion of social security who has devoted his life to this cause, recently said that the present law is "unsocial." It is more unsocial than were the rackets of Al Capone, Dutch Schultz or Lucky Luciano.

Like Commissioner Andrews and Abraham Epstein, this writer is 100 per cent in favor of unemployment insurance. But who could favor Insull financial methods even when they are used to set up an unemployment insurance scheme?

Holding company tricks and the milking of operating companies is wrong even when sugar coated with a noble purpose. James J. Klein and every other worker should be insured against unemployment, but the present law is a glorified racket masquerading under the humanitarian cloak of unemployment compensation.

"Bloody Harlan"

by Joseph P. Wright

In the Mountain-locked Coal Valleys of Harlan County, Kentucky, has Existed a Serfdom Paralleling that of the Middle Ages. Here Humble Hill Folk Have Been Ground Under the Heel of Oppression as the "Company" Regulated Their Bodies and Souls. Today, Federal Prosecution of Company Managers on Charges of Criminal Conspiracy Writes a Final Line to This Twentieth Century Afterpiece of Feudalism.

Down the valley of the Black Mountain Mine on May 5, 1931, swept scores of Harlan County miners. Anger on their faces; clubs, picks and guns in their hands, they stormed toward the narrow roadway leading to the coal field.

Their mission was to stop the advance of a strike-breaking crew. Through the hills had raced the rumor that "down in Harlan town" the strike-breakers were massing for a push on the Kentucky coal fields to set up camp and "scab" the mines until the native workers were lashed into submission. Company tyranny—two words which embrace the entire history of Harlan — would be preserved

The determined band of overall-clad workers knew this. They reached the roadway and threw up a barricade. As the first of a fleet of strike-breakers' trucks hove into sight they broke from ambush, stopped it, and hauled its occupants to the ground.

Back in town word of the workers' insurrection was received at the Sheriff's office — general headquarters of the "company" forces in the continuing warfare between company and workers. Deputies loaded a car with guns and ammunition and roared toward the disorder, just below the town of Evarts. As they reached the scene, they leaped from the car, raised their guns and fired on the angry miners. It was the beginning of the "Battle of Evarts," the dramatization of a story of modern day feudalism, paternalism and absolutism — a drama that now moves through its final act in a Federal courtroom at London, Ky.

As gunfire echoes died in the valley, bodies were strewn along the narrow roadway and in flanking ditches. No one knows how many miners were slain. A few estimate their number at a dozen or more. Two deputies and a company store employe were killed. The miners were routed. Back up the hillsides they fled to nurse their wounds among their kinfolk. To them they muttered their story. For the first time the despotism of the mine operators had been challenged. Now it was to be a contest with the miners on one side, their overlords on the other.

The Battle of Evarts typifies two things: The grim, life-or-death struggle for existence in this isolated section that lives for and by itself—a violent system of life that gave the county the name "Bloody Harlan"—and, secondly, the sharp cleavage between those who own the mines—Harlan's only reason for being—and those who work the mines.

In Harlan, isolated geographically and socially, nature arranged the stage setting for this twentieth century afterpiece of serfdom. Harlan's bituminous fields are not vast. They are rich. Through layers of rock along the mountainside and in the valleys are interspersed 14 veins of rich coal deposits. In 1910, a band of Kentucky entrepreneurs entered the fields, surveyed the possibilities, set up their own railroad. In 1911,

the first Harlan coal moved over the county line. From surrounding counties farmers migrated to Harlan to accept the opportunity to work for wages.

Harlan boomed. Its population doubled, trebled, and then dwarfed that swollen figure. Stodgy shacks were thrown up on company property to house the workers. Company stores were opened to sell food and clothing to the miners at prices set by the company. The workers went to company theaters, recreation halls, and even to churches owned by the company. In short they lived around the clock on company property. And then, on pay day, they received what was left of their checks after deductions had been made for food, clothing, shelter and recreation.

Police were hired by the companies to maintain order in the camps. A sleepy hill village became a fierce, bristling workman's town. And through a steel-fist rule of this community, the operators succeeded in driving home the idea that the privilege of working was a company concession to be granted the workers on the company's terms as to wages, hours and conditions of work, or to be withdrawn at the company's pleasure.

This was paternalism. But as industrial unionization pushed forward in the nation-at-large, word filtered back into Harlan. Workers in tattered overall jackets, who learned to think of themselves as living in Harlan county first, Kentucky secondly, and the United States lastly, realized a new hope of economic freedom.

Labor organizers appeared in Harlan and unprecedented violence set in. Dynamitings, shootings, bloody riots followed the predication of company philosophy that outsiders were not welcome on company property; that industrial absolutism was not alone right and proper, but was the best expression of life for these humble hill folk. It was not for these hill folk to do their own thinking. That also would be done by the same management that furnished job, home, groceries, medical care; the same management that virtually bound the miner to the mine in the same fashion that middle-age feudalism bound the serf or villein to the soil.

To enforce its sharply-defined policy of "no interference" the major coal company managers organized themselves into employer's associations. As a group then they took to the High Sheriff of Harlan County their plea for a small army of deputies to guard their property; to assure continuation of a granite-hewn individualism that submerged the worker and elevated the employer. These deputies were paid, not by the county, but by the companies, indicating in which direction their loyalty was to lie.

For nearly a decade 60,000 Harlan County mining families — scattered through 200 mining camps—lived under these conditions. None has been able to judge to what extent this paternalism paid the companies in profits. None has been able to verify the rumor that proceeds from the company stores have paid the operating expenses of the mines. All have been able to ascertain, however, that the companies exercised a virtual trade monopoly over the camps. The workers do not need cash for purchases in company store. The use of scrip has at once facilitated the trading ability of the oppressed miners, and insured their enslavement to the masters, in the person of mining companies.

As the desire for unionism expanded in the hearts of the Harlan workers, the ruthlessness of the companies increased. Terrorism rode through the valley and the hillsides. Organizers from "outside" were beaten and driven to cover. The workers themselves were subjected to violence when the threat of unionization became acute. The employers joined hands in a last ditch battle against any change in the status quo. These are the allegations that have been made.

Now, the hand of the Federal Government has reached into this mountain-bordered commonwealth to show that the operators engaged in a criminal conspiracy to block the workers' way to economic freedom and independence. The Wagner Act of 1935, guaranteeing labor the right to organize and bargain collectively with employers through representatives chosen by the laborers themselves, has been brought into play by the Federal prosecutors. These prosecutors have employed an 1870 anti-conspiracy statute, written to halt depredations of the Ku Klux Klan, to bring criminal charges against 20 Harlan coal corporations, 22 officers of the companies, and 22 law enforcement officers who find themselves defendants.

In little London, nestled in the foothills of the Cumberland Mountains, an able Government legal staff has reviewed the mass of evidence against the operators. Lanky, tired-looking miners have told in halting phrases their stories of shootings, fights, riots and bloodshed. They have repeated the story of company monopoly, of economic serfdom. And as they told their story they heard that a government witness, under protection of the court until his testimony had been given, had been shot down and killed. Tyranny, they learn, never dies without a struggle.

The plight of Harlan's miners differs in degree and intensity from the problem that grips labor at large in the nation today. By oppression, maltreatment and complete domination of their lives, the mining operators have driven the workers into the unions which the operators fight. They have justified their autarchy by protesting they were saving the workers from themselves. They have hired deputies and police to grind them under the heel of authority, and have shouted of the prevalence of drunkenness in the mining camps as an excuse for the presence of armed forces. Yet they have sold whiskey in company stores, and permitted workers to purchase it on credit if they lacked cash.

That the systems of unionization embraced by the workers might in themselves be dangerous is not a question, for the evidence shows the companies were actuated in their anti-unionism by motives less lofty. As a flank defense, certain of the indicted operators have pointed to the acknowledged red hue which taints certain major unions. But their zealousness for Americanism arose only after their autarchy was threatened by Federal prosecution. Their first and greatest zeal was for the preservation of the kingdoms they had built up on the Kentucky hillsides.

In the Government's trial the record of outbursts of violence, of street shootings, ambush killings and terrorism reads like the serialized chapters of a horror tale. But the facts are real—as real as the stumbling testimony of frightened, wide-eyed youths and their halting, drawling parents. And the collective effect of their testimony is such that the first reaction is that of incredulity. Serfdom is considered an abstract relic of another age; not a reality in a nation glorying in a tradition of independence. But in Harlan serfdom has been a commonplace.

The greed of capital is nowhere better epitomized than in "Bloody Harlan," which for nearly three decades saw the bodies of its native sons, and their souls as well, traded for a mere living. If the Government's trial results in a clear definition of the workers' rights and puts an end to employer domination, the Battle of Evarts will not have been fought vainly. And if staunch, Christian and American unionism takes its message to Harlan's victims of oppression, a new and bounteous life in the Kentucky hills may stay the hand of an unseen aggressor.

President Franklin D. Roosevelt

Photos by—Acme

Mrs. Eleanor Roosevelt

What's in a Name?

by **Edward Lodge Curran, Ph. D.**

We live in a critical world. It is a world in which all public officials must expect to be the target of the gamma-rays of public opinion. Especially, when these public officials themselves launch forth into super X-ray denunciations of certain classes or individuals who differ with them. Even the highest occupant of the White House has thrown off his dinner jacket, put on political overalls and thrown spade after spade of descriptive lava against those who differ with his theory of national economy.

We do not, however, live in a world that is fairly critical. What is wrong for one side is not always considered wrong for the other side. Thus, a few years ago the Chief Executive of the nation was called to order for certain violations of the truth by a man who has always been close to the masses and whose knowledge of economics far surpasses the dusty tomes in which the brain trusters bury their heads like the proverbial ostrich. The printed word, which is always "oh, oh, so pure" when it is not always "oh, oh, demure" reeled in astonishment. How terrible to use a good old-fashioned English epithet when referring to the President of the United States!

The writer of this article is fully aware of the respect as well as the obedience which he as an American citizen must pay to the President of the United States and every other elected official who has a right to his civil loyalties. The writer of this article, however, could not get terribly excited about the terminology of the President's critic on that occasion. The President of the United States is not infallible. It is perfectly possible for him to make mistakes. It is perfectly possible for him to be amenable to the utterance of half truths or even of statements that have no degree of blood relationship with the truth. On such occasion the citizen renders the commonwealth a public service by acquainting the President with his mental defection.

Sometimes, in doing so, the choice of words may not be so happy. Even when the choice of words is not so happy, no serious harm is done to the body politic.

It is only the recent and rather continuous verbal avalanche against his critics, in which the President has indulged, that has recalled an occasion which even the readers of Social Justice may have almost forgotten. It is well, however, always to remember both sides of the picture. A President who launches out against his political critics by baptizing them with the rather unsaintly names of "economic royalists" and "feudal barons" and "copperheads" must not look for softness of speech and euphemism of phraseology in the retort of his critics. If the President picks a particular dictionary to hurl at his critics, surely his critics have the right to pick up the same dictionary and throw it through the doors of the White House.

The same commentators who have nothing to say about the President's choice of burning words were worked into a pious fury because a great leader of social justice branded certain statements of the President as untrue. This hypocrisy of one-sided criticism is but part and parcel of our historical heritage.

Writers of American history have constantly indulged in it. Thus the Spanish explorers of this country have been roundly denounced by certain writers of American history because they utilized Indian labor in Mexico and shipped the gold and silver of Mexican mines to Spain. The very same textbook writers, in the very same textbooks, have nothing derogatory to say about the English admirals who

In Today's Strange World Exists a Strange Code of Ethics. What is Wrong for One Side is Right for the Other. Or, What is Wrong Today is Right Tomorrow. Thus Critics of the President Should be Hushed, but the President May Speak in Full Voice. And the President's Family May Use Every Means to Turn the Presidential Label to Profit—But Only While Mr. Roosevelt is President.

cruised the Spanish Main, took the same gold and silver from the Spanish galleons and transferred the treasure to the holds of English ships. If it was wrong for the Spaniards to take the gold and silver from the Mexican mines, then it was wrong for the English admirals to take the same gold and silver from the Spaniards. What the English should have done to preserve their honesty of purpose and their purity of purpose, was to return the gold to the Mexican mines or to the Mexican Indians whose labor had been used in mining it. Such, however, did not happen. There was no thought of restoring the products of the mines to Mexico. The English, in fact, were quite glad to profit by the mining genius and engineering activities of the Spanish explorers in Mexico.

It would be well for the writers of textbooks on American history to remember these facts and to practice fairness and impartiality in their criticism. They should either be silent about the entire transaction or launch into invectives against the English pirates of the Spanish Main as well as against the Spanish explorers who merely followed the colonial operations accepted throughout the civilized world during the century in which they lived.

This is but one example of that unfair principle of modern criticism which is best summed up by saying: "It does not make any difference what is done! Who does it?" This, of course, is not the principle of criticism adopted by logical mentalities or by Christian charity. It is, however, the principle of criticism adopted by too many manipulators of public opinion in the press, over the radio and in the political sanctuaries of Washington. It is not a distinctly New Dealish form of criticism although it has fitted quite well into the smearing operations directed by New Deal devotees against their critics.

The same unfair principle of criticism has handed down the memory of Queen Elizabeth as "Good Queen Bess" while simultaneously handing down the memory of her sister, Queen Mary, as "Bloody Mary." The truth of the matter is that Elizabeth was bloodier than Mary. The Protestant historian, Cobbett, has testified that Elizabeth executed an overwhelming greater number of men and women, who wished to preserve the faith of their fathers, than Mary did in the case of those who indulged in politico-religious revolt against the religion and government of their ancestors. But, then, the writers of history—at least too many of them—have been anxious to whitewash Elizabeth and incarnadine Mary. Wherefore, the allocation of titles. If these certain writers of history and historical commentators wished to be fair they would either omit the epithet "Bloody" as applied to Queen Mary or use the designation "Butcher Bess" as often as they felt called upon to use the designation "Bloody Mary."

The President of the United States should be very careful in his choice of language and in his manner of hurling epithets across the desk in his press room or from the firing-side of his home in Hyde Park. When the President attacks those who fought his dictatorship proposals for the United States Supreme Court and those who fought his dictatorship program of executive reorganization, he leaves himself open to attack. In other words, the Roosevelt dynasty in Washington is vulnerable.

The President's use of such medieval terms as "economic royalists" and "feudal barons," applied by him particularly to the South, reminds us of the fact that the President may well be accused of nepotism in the White House. Nepotism is the public vice which consists in advancing the economic fortunes and prestige of one's relatives by reason of one's possession of public office. Nepotism is a double barrelled operation. It may consist of positive efforts on the part of the holder of public office to advance the fortunes of his relatives. Or, it may consist of positive efforts on the part of his relatives to benefit by the high public office held by their relative. In the latter case there may be no need of positive efforts. The mere fact that the relative of the President is in business may be sufficient to increase the relative's bank account which, without the relationship, would not have become so bulging.

The fact of this latter passive form of nepotism looms large against the Washington horizon. There is Mrs. Roosevelt who has become a columnist at the president's salary simply because she is the wife of the President. Of course, she gives all the salary to charity, although few people have seen this special list of recipients. Mrs. Roosevelt in her own right is distinctly not a columnist nor an author. Some of her contributions would not get a passing mark in a seventh grade elementary school composition class. But she IS the President's wife. Therefore, "My Day" becomes financially lucrative. The baroness profits because she is the baron's wife.

Then there is the recent article by Alva Johnston in the *Saturday Evening Post* of July 2nd, which everyone interested in the operations of modern nepotism should read. No one knows the income which Jimmy Roosevelt receives from the five insurance companies with which he is connected. Everyone now knows the huge insurance deals which have been thrown to these companies because the President's son is in the insurance business. The accounts of the National Distillers Products Corporation, of the Columbia Broadcasting Company, of the Consolidated Oil Company, of Armour Company, of the Transcontinental & Western Airways, of the West Indies Sugar Corporation are staggering both in the amounts insured for, in the premiums paid and in the commissions paid to Jimmy. If Jimmy were not the President's son he would, if he went into insurance, be working from the bottom up and not, as is the way with economic royalists, from the top down.

As Alva Johnston points out, "Jimmy's versatility is what astounds his colleagues in the insurance business. Many of them have spent years in mastering one branch of the business. Jimmy is a specialist in everything—life, fire, marine, air and group insurance. He mastered it all in practically no time. The insurance fraternity is as startled by this young meteor as the medical fraternity would be if a youngster who had never attended a medical school suddenly turned out to be America's greatest specialist in the eye, ear, nose and throat, in abdominal and pulmonary surgery, in obstetrics, pediatrics and chiropody."

It is strange how a change of city residence can alter one's viewpoint. When the President was Governor in Albany he took time off to denounce the very form of nepotism by means of which his son Jimmy is profiting. Alva Johnston quotes the very words of Governor Roosevelt denouncing the relatives of political leaders for being in the surety or insurance business. "It is not illegal," said Mr. Roosevelt, "for a relative of a political leader to be in the surety business. It is not illegal for a contractor to get his bonds through this relative. Yet the whole business is indefensibly unethical."

Have we not just listened to the President telling the world that he possesses two personalities? One is the personality of the President of the United States. The other is the personality of the political leader of the Democratic party. If it be indefensibly unethical, as Mr. Roosevelt assures us, for the relative of a political leader to be in the surety or insurance business, then surely it is indefensibly unethical when that political leader is also the President of the United States and when that relative is his son.

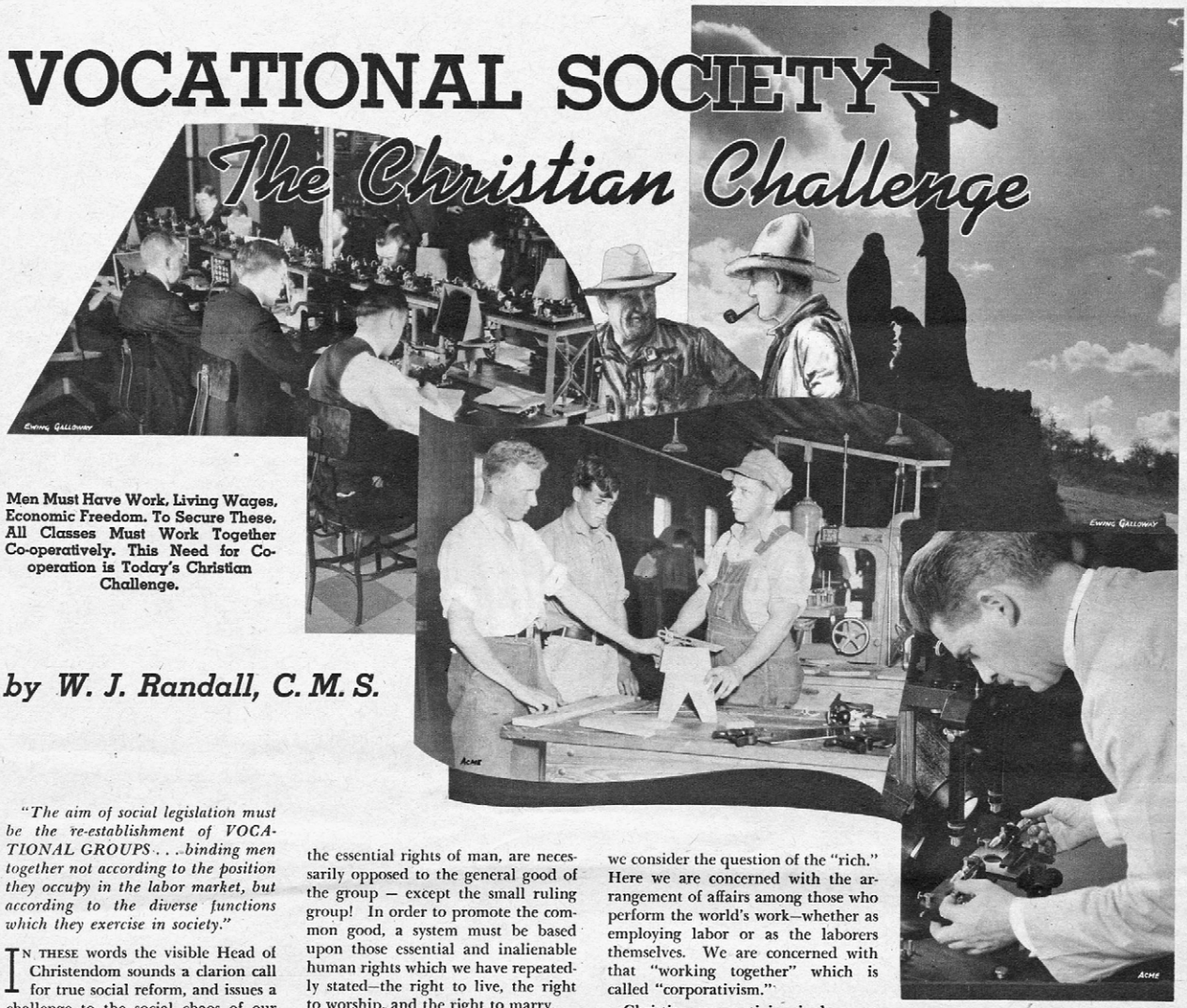
The Roosevelt Dynasty, including father and mother and children with the accent on Jimmy, has indulged in private ventures which the founder and head of that dynasty has denounced as "indefensibly unethical." There may or may not be something "indefensibly unethical" in being a "feudal baron" or in being "an economic royalist." Sometimes those terms represented decent individuals. Sometimes they represented tyrants. But, in the words of the President himself, there is something "indefensibly unethical," without any presidential reservations in nepotism.

The President should really be careful of his language.

James Roosevelt
Insurance Wizard

VOCATIONAL SOCIETY—

The Christian Challenge



Men Must Have Work, Living Wages, Economic Freedom. To Secure These, All Classes Must Work Together Co-operatively. This Need for Co-operation is Today's Christian Challenge.

by W. J. Randall, C. M. S.

"The aim of social legislation must be the re-establishment of VOCATIONAL GROUPS . . . binding men together not according to the position they occupy in the labor market, but according to the diverse functions which they exercise in society."

IN THESE words the visible Head of Christendom sounds a clarion call for true social reform, and issues a challenge to the social chaos of our time. He places the solution in a new Social classification — a plan which should set the ears of all true reformers ringing as with a trumpet-blast of truth. Our business here is to consider that solution. And in order to appreciate it we must first of all clear the ground by stating certain principles which reside at the root of a healthy state-structure.

As disagreements occur in that most fundamental of all societies, the family, so disagreements occur in the larger society of the state. And as there is only one sane solution of family quarrels, so there is but one sane solution of dissension in the body politic. That solution is in the agreement of the members to work together for the common good.

To secure the peace of society its individual members must act so as to promote the good of the entire group. It is a more complicated business in the case of the state than in the case of the family; because of the many varied individuals and the many subsidiary groups. But the principle remains the same—namely that each co-operate for the benefit of all.

What plan, or structure of society, naturally promotes the common good? What system in the organized state will best secure the general benefit? Obviously there are *some* plans, or state-structures, which are intrinsically against the common good: slavery, for instance; where a minority of people actually own the others as chattels; or, again, Communism, where a small but powerful and hypercritical group dragoon all the others and call it equality. Such systems, denying the essential rights of man, are necessarily opposed to the general good of the group — except the small ruling group! In order to promote the common good, a system must be based upon those essential and inalienable human rights which we have repeatedly stated—the right to live, the right to worship, and the right to marry.

In our study of modern capitalism we saw that the state-structure on Christian principles is a well-ordered capitalism—a system in which property is fairly distributed, not necessarily *equally*, and in which money, the "economic life-blood of the community," flows in sufficient quantity to every family and citizen.

The "state-structure," then, to be just and equitable, must secure these effects.

Now when we examine the fabric of any State, we see that its well-being really depends upon *work*. The wealth of a nation resides in the worked products of the earth and their distribution to the members, the community. Whether these products are all produced at home, or whether they are imported in the process of foreign trade, does not change the principle that work done by the nation produces the nation's actual wealth. Thus we are faced with a vast army of workers, engaged in the manifold occupation of producing, processing and distributing the products of the earth which form the raw material of wealth.

IT is in this field—that of the workers—that the great clashes of dissension have occurred in modern times. We are not here concerned with that comparatively small class which subsists upon the inherited wealth or upon dividends. The members of this class, in common with all men, are under the obligation of contributing some sort of work to the good of the community. Otherwise they become mere parasites. What exactly their obligations are we shall see when we consider the question of the "rich." Here we are concerned with the arrangement of affairs among those who perform the world's work—whether as employing labor or as the laborers themselves. We are concerned with that "working together" which is called "corporativism."

Christian corporativism is the great challenge to the state-structure of the last century. It provides an antidote to the "laissez-faire" economic school which dominated that period. The great principle of that school was this: "free competition and the best man wins." The result, as worked out in practice, has been that very often the morally worst man wins. "Instead of the best it was often the most unscrupulous, the most hard-hearted and the most undesirable that came to the top," as the Rev. Cornelius Lucy, of Maynooth, truly writes in his "Christian Alternative to Communism and Fascism."

This unchecked economic competition is actually one of the particular social evils which the Pope expressly denounces. But like every true social reformer, the Pope is not content to denounce. He proceeds to construct. And just as the great Pope Leo XIII set forth the basic principles of social reform, maintaining the universal right to a living wage, and to private ownership, so Pope Pius XI carries the matter forward to a still more concrete proposal—to a positive plan for social reconstruction. He "points out a way which, if adopted in a spirit of co-operation, and Christian charity, would seem to give a better promise of a settlement of economic troubles than anything else that has been suggested in modern times." So writes Fr. F. Hennelly, B.D., in "The Church and the Working Man." And this is true.

What is this specific plan advocated by the Pope? It is the plan which the Pope calls "VOCATIONAL GROUPS."

This plan is based upon the natural classification of occupation or particular kind of work instead of upon the artificial and arbitrary classification of those who have managed to seize the reins of power and those who are driven like cattle. It classifies society according to the functions of the various workers, according to the various kinds of work which they perform—all of these being essential to the completion of the State's welfare. Instead of a vertical arrangement—one on top of another—it adopts a horizontal arrangement—one beside the other. The result is co-operation instead of opposition.

Our present Holy Father has made this subject his own, and he devotes a section to it in his encyclical on "The Social Order." It is too big to quote in full, but let us listen to some salient extracts: "It is the primary duty of the State and of all good citizens to abolish conflict between classes with divergent interests, and thus foster and promote harmony between the various ranks of society. The aim of social legislation must therefore be the re-establishment of VOCATIONAL GROUPS. The demand and supply of labor . . . transforms this labor-market into an arena where two armies are engaged in combat.

"There cannot be any question of any perfect cure except this opposition be done away with, and well-ordered members of the social body come into being anew — namely vocational groups, binding men together not according to the position they occupy

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in the labor-market, but according to the diverse functions which they exercise in society . . . those who are engaged in the same trade or profession will form free association among themselves . . . towards the realization of that ideal type of vocational groups which we have mentioned."

HEREIN we have set forth by the Supreme Visible Head of Christendom, the principles of a revolution of the most beneficial and the noblest kind; no revolution of blood and strife, but a revolution of method which would heal the strife between capital and labor, and convert the two opposing armies into numerous groups working in unison.

Here we have a natural and essential healthy arrangement, for it is based upon the necessary avocations which belong to any and every civilized state. It is worth noting that the Pope calls the scheme a "re-establishment," thereby indicating what we have already seen in our study of the Catholic Guild System of the Middle Ages the classification of workers according to their respective trades and handicrafts—the plan that approached perfection as closely as fallen human nature can. The vocational group, worked upon the Christian principles of justice and charity, is the one thing needful in our modern society (as it is also the one group which is absent) in order to realize the ideal of our Holy Father and of all good men—the harmony between the various ranks of society.

We shall consider this system of "Christian Corporativism" in a separate article. Meanwhile it is vitally important for Christians to understand it in principle, for it is the social solution of the one who is in fact and in law the leader of Christendom.

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The Way Out

by HILAIRE BELLOC

THE SMALL DISTRIBUTOR

The Chain Store, the Combine, the Monopoly—All Have Squeezed the Small Merchant Until His Freedom is Lost. The Guild System, in a Corporate State, Would Afford Him the Protection He Needs.

THE small distributor means the individual store-keeper and his family.

He also has been called "a doomed relic of the past." That phrase is as much nonsense in his case as in the case of the craftsman. He has *seemed* to be doomed simply because the unrestricted competition of large concentrated capital has so violently attacked him as *almost* to destroy him. But this is not in the nature of things at all. A control of those evil activities would restore the small distributor within a certain very large measure, and, as in the case of the craftsman, where he is not restored, co-operation can come in to leave individual shareholders in a Guild, power of control over their own lives.

Remember that the small distributor, the individual store-keeper with his family, fills a function most useful, not only to society as a whole, but to the very trade in which he is engaged. His value in that trade, through the personal interest that he and his family take in their business, through the human relationships set up by that connection, is clear. One is better served by people one knows than by mere servants, mere hired men of an impersonal mass of capital with whom neither the consumer nor the producer has any relation.

But the function to society performed by the small distributor is even more important than this personal function. The independence of the family is guaranteed, and that is the very health of the State. No doubt under modern conditions, with rapid transport of goods, extensive and immediate communication of information, and the rest, there is a tendency to concentration which must be considered and dealt with. You could not, at a stroke, replace the present system of highly centralized, impersonal distribution by distribution in the hands of individuals and their families. But where such concentration is necessary or unavoidable, you can again have the all-saving, salutary principle of the Guild. And the machinery for establishing it is in licensing the carrying on of the diverse forms of trade.

If the grocer must belong with his large store; if he is a guildsman shareholder in that store and if outside competition against his Guild is forbidden, then he is no longer exploited. He is an owner and a free man.

By a system of licensing you can establish the essential principle of differential advantage, giving easier conditions always to the individual or the family unit against the larger unit: make it more expensive, through the differential tax, for the large impersonal store to undersell the small man, at the same time restricting the right of trade to members of the Grocers' Guild.

Such a Guild, making its own rules and protected by the general laws of the State which issues the license, supports and makes permanent the whole system of well-divided property in distribution.

Even as it is, under our present detestable system of unrestricted competition and huge irresponsible concentrations of capital, the small distributor is fighting hard to survive. The reason it is difficult for him to survive is not in the nature of things, but comes altogether from the allowing of the larger unit of capital to undersell, to beat down and to eliminate the smaller.

If we establish the Corporate State and the Guild system and apply it to distribution and production, the problem raised by our present diseased and moribund capitalist system is solved.

Here again co-operative credit will be necessary, just as we found it to be in the case of the individual or family producer. The distributor needs credit as much as the producer does. But let that credit be confined to co-operative banks, co-operative local systems of credit, closely connected with, and working with, the Guild.

The Guild, be it remembered, exercises jealous care over the undue extension of power in the hands of any one member thereof. It restricts competition after a certain limit, because it is concerned with the preservation of the individual owner of capital, of the individual store-keeper and his family; and, where there is a combination of these in one center, it preserves the continuity and stability of the individual shares in the combination.

The Guild here, as everywhere, is the key to the whole affair: the Guild guaranteed and supported by the State, enjoying the power to deal with its own activities and excluding outsiders — especially outsiders who come in as enemies and who desire to swallow up the dependent man and his family.

IF it be asked how the Corporate State would deal with the existing concentrations of capital in distribution, the answer is that we will deal with it by that universal principle of the differential tax, or differential preference, which applies here as it does to every other human activity. We must make it more difficult, by heavier taxation, for the impersonal, mere money power to hold distribution in its hands, and easier for the small man to establish his share. The small Guildsman, applying for a license to trade in this and that, and in such and such a fashion, must be privileged against the existing, large combine. Nothing stands in the way but the habits inherited from the old, unrestricted competition, which is already breaking down and which has caused such untold misery.

I think I have already quoted in these articles (as I have repeated in many another place during my campaign of many years in favor of restoring property as an institution and the independence of the family and of the individual with it) the example of the tobacconist in England, the place from which I write. At any rate, if I am repeating that example it is worth repeating. It is most illuminating. In our country the tobacconists had established without legal guarantee, but by custom of their trade, a certain agreed margin of profit for each store that sold cigars, cigarettes, pipe tobacco, etc. The small man could live. The small tobacco store was flourishing everywhere. But its continued life and security depended, unfortunately, not on anything guaranteed by law, not on any established Corporate State, but only upon general custom and agreement.

There came in a new combine of a few big tobacconists. Purchases were made on a larger and larger scale. Profits were cut down from the old agreed margin to a new, smaller margin upon which the small distributor of tobacco could not live. The usual excuse was advanced: "The new state of affairs made it cheaper for the consumer." But, the consumer in a healthy state is the mass of citizens, and that includes the tobacconist himself as well as everybody else. Kill the free, small dealer by this new, gigantic combine; turn him into a salaried agent with no property, and you afflict society in his case with that mortal disease which is everywhere destroying the freedom and security of the individual and of his family life.

The managers appointed by the new combine, managers on a competitive wage, and at the mercy of the new employers, took the place of the old, free and independent store-keepers. There followed, of course, arrangements between the new combine and the big wholesale monopolist vendors of tobacco, until at last that vague animal "the public" was compelled to take whatever it was offered by these two conspirators—the big distributing merger for retail stock, and the big vendors for tobacco wholesale. Today in England the store-keeper handling tobacco has become the hired servant (with no security, no property—nothing) of the combine, and the public gets, not what it wants, but what it is told to have—or go without.

HERE as in everything else well-divided property is the flywheel which regulates the whole machine of economic freedom. When new mergers destroyed the small individual owner of property, freedom disappeared both at the consumer's end and at the distributor's end.

That is only one particular example. It only covers a comparatively small field of activity, but we have had the same thing over here in England in any number of other departments. The individual milk distributor has been swallowed up by the huge combine which is the master of the farmer who produces the milk as much as it is of the member of the unfortunate "public" who buys the milk, but buys it at the price fixed by the combine. With freedom there was choice and there was that vastly more important thing, the independence, security and happiness of the family engaged as units in the distribution of milk.

The moral is here as everywhere. Fight for and establish well-distributed property. Restore, bolster up and guarantee by corporate action the individual owners and their households. Have co-operative action at work by all means, but let it be in the hands of free men owning their proportion of the shares in the corporate thing.

Here again, as in every other case, you must have the corporate distributive function backed by public law. You must make it increasingly difficult, and at last impossible, for the combine to order the lives of men, who, from being free men, become their slaves.

Let no one say that this is a dream or, as the phrase goes "under modern conditions" impossible. Those so-called "modern conditions" are of our creation. They come from the application of a bad social philosophy, from the allowing of unrestricted greed to act at will, and from the neglect of the supreme truth that only citizens, economically free, can build up a healthy social state.

REAL MONEY

By Robert H. Hemphill

Why Has the Press Condemned the Letter Sent By Jesse Jones, R.F.C. Chairman, to the Banks of the Nation? Why Has Every Effort to Break the Monopoly of the Commercial Banks Over the Nation's Medium of Exchange Been Frustrated? Are the Banks Purposefully Prolonging the Present Depression, Abetted by the Government? Mr. Hemphill Gives the Answers in this Article.

A few weeks ago, Mr. Jesse Jones, Chairman of the Reconstruction Finance Corporation, in a letter to the national and state banks of the nation, gave them a solemn warning: that unless they can come out of their coma and serve the commercial, industrial and agricultural credit needs of the nation, they may expect the Government to do it.

Certainly that is almost an obvious statement. This writer has been saying the same thing in the newspapers for more than five years.

Mr. Jones' letter has raised a regular storm of editorial comment and argument in the current newspapers, and no doubt the most curious thing about all these editorials, articles and news stories is that they all—without exception—condemn Mr. Jones' letter and his advice to the banks. I would be willing to wager that even Mr. Jones has been surprised that not one editorial voice has been raised in his defense, and I'm going to clear up the mystery. These editorials, whether published in Maine or California, Michigan or Texas, or any other state, all were written and furnished the intimidated newspapers by the publicity bureau of the American Bankers' Association.

Mr. Jones might just as well quit talking to the banks, roll up his sleeves and prepare to tackle this job. The banks are not going to. For once they are telling the truth—they cannot safely expand bank deposits by loans to commerce and industry.

It is true that they will oppose the creation of real or bank credit currency, as they have been taught by more than a thousand years of banking philosophy that the commercial banks should have a monopoly of furnishing the medium for our exchange of goods and services. And, notwithstanding the fact that they are vociferously defending their inactivity by admitting they cannot safely expand their loans to commerce and industry, they may reasonably be charged with consciously prolonging this depression with all its unemployment and distress, rather than allowing someone else to perform this indispensable service.

This illogical attitude is the perfect example of the "dog in the manger." They will not loan; they will oppose loans by anyone else; and yet they know and admit that business cannot expand unless someone furnishes additional money or a workable substitute.

In the two previous articles in this magazine I have pointed out and explained the two principal measures recently taken to return the whole business structure of this country to the domination of the commercial banks of the nation—relaxed rules for bank loans, and the plan to pay off the bonds held by the commercial banks, by taking out of circulation large amounts of our "deposit currency" through excessive collection of taxes to pay off these bonds.

Every billion dollars of taxes collected and paid to the banks for bonds will decrease the demand deposits (checking accounts) of the nation by one billion, and decrease the annual purchasing and consuming power of the nation three billions of dollars.

That will directly affect your income or wages and mine. The proportion of the total spending power of the nation which is normally spent for the product you produce or service you render, will decrease in precise proportion to the decrease in the entire nation's income.

The point I want to drive home to *you* who read this, is that this is not just an academic financial matter in which you have only a remote concern. *It is the big fact of your existence and the existence of your family and loved ones.*

Your earnings or profits are a part of the national income. A shrinkage of the "national income" is nothing more or less than the shrinkage of your income plus that of everyone else. It is a personal matter with you and everyone else. When the President speaks of "increasing the purchasing power of the nation" or "increasing the national income" he means *you*. He is talking about increasing *your* wages or business profits *your income* and that of everyone else.

This depression can continue indefinitely, *or* it can grow immeasurably *worse, or* it can be dispelled and this grand country returned to normal prosperity. These conditions can result for one cause and from one cause only—*the contraction or expansion of the supply of money* in our checking accounts in the commercial banks of the nation.

If the checking accounts of the nation increase, *we will have business expansion in exact proportion.* If the checking accounts of the nation decrease, as they would do if excessive taxes are collected for the payment of our Government bonds, *business will decrease, and unemployment, poverty, distress, bankruptcies and suicides will increase.*

I like Mr. Jesse Jones. He is one of the really big men of the country. He is not a politician. He is a great American and he is doing a big job and doing it well—I agree that if the banks would cut loose with the potential credit which is represented by their present excess reserves, we would come out of this depression like the release of a coiled spring. But, and it is a "but" of great significance, the prosperity which would follow would be founded upon bank loans which must be paid, and it would last only so long as those loans were uncollected. Mr. Jones ought to think of that.

The commercial banks would be insolvent. That is to say, they would have created demand deposit liabilities which they and everyone else would know they could not pay. We would be doing business with an imaginary money with nothing behind it but capital loans—frozen loans which could not be collected without disaster, could not be collected without putting us right back where we started.

Over and over again we have built our prosperity upon this same precarious foundation, only to have it destroyed when the frightened banks tried to collect a portion of their loans.

To the average man, this situation has always been shrouded in mystery. He received checks and deposited them in his commercial bank and in turn drew checks to pay his bills and seldom if ever gave a thought to what these checks represented. Usually he thought these checking accounts represented actual money in the bank. He is now, for the first time in his life, becoming aware that what he thought was his money, deposited in his checking account, is really nothing but imaginary money and that the bank really has nothing but 10 per cent to 20 per cent of these accounts in money and nothing very tangible and nothing convertible into money for the balance. That is the kind of "baloney" money we have been trying to do business with. Is it any wonder that periodically this whole fictitious structure collapses and we have these tragic depressions?

What is the answer, you well may ask. It is very simple. From now on, we will have to have in our checking accounts *real money.* The bankers have learned that their racket—and it has been nothing else—will no longer work even for a short period. The people are beginning to know the real facts about this amazing racket which we inherited from the unscrupulous "money changers" of ancient times.

Your checking account is the accumulation of credits you have received for your goods and services. Whether they were paid to you in cash or in checks, they came out of someone's checking account. This credit largely originated on the books of the banks in exchange with the Government for its bonds. If these bonds are to be paid by reversing this operation, a portion of your checking account and the checking accounts of everyone else, must be collected by the Government in excessive taxes and paid back to the banks who will return the bonds to the Government for cancellation.

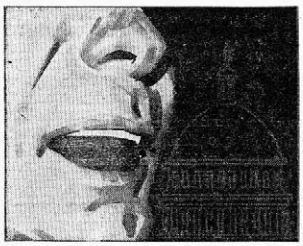
But, you will say, you must have this check-book money to transact your business. You are quite right and that is the specific point I am trying to make clear. The payment of these bonds will decimate your checking account and the checking accounts of everyone in the nation, and our business transactions will become impossible to just exactly the proportionate extent these checking accounts are cancelled.

What we need is more money, more credit in our checking accounts instead of less. We are doing all the business we can with the inadequate amount we have available.

Mr. Jesse Jones knows that we cannot expand business without increasing this supply of our principal medium of exchange, check-book money, and that is the reason he is telling the bankers they must expand this supply by loaning this "fountain-pen money" to commerce and industry, and the banks who also know that the supply must be increased some way, reply that they couldn't collect these loans if they made them.

They are quite right. We have simply reached the end of this period of our evolution. We must now sup-

(Continued on page 20)



"Will the Gentleman Yield?"

Congress To Blame For Billions of Debt

By HON. ELMER THOMAS
Senator from Oklahoma

WE can collect only about $12-billion of taxes annually in this country, and yet we are spending each year $17-billion for government. That is not all. All the people together are now in debt about $250-billion. Add together the debts of all our people, all our corporations, all our units of government, from top to bottom, and we have $250-billion of massed indebtedness resting upon the shoulders of 130,000,000 people. It is estimated that a certain percentage of those debts is drawing interest, and that the interest bill on the portion bearing interest is something like $10-billion annually. So this is the picture:

The people are now paying something like $12-billion in taxes and are paying something like $10-billion in interest, if they are paying interest. Add the $12-billion of taxes and the $10-billion of interest, and the total is $22-billion that the people of the nation must earn and save each year with which to pay their taxes and to pay their interest in order to save their property from tax sale or from foreclosure. The national income is scarcely $60-billion. What percentage of $60-billion, the total national income, is $22-billion, which is the aggregate of the two items for taxes and interest alone? It is about 35 per cent.

How can the nation exist, how can the states exist, how can the cities and the counties and the corporations and the people exist, when they are paying 35 per cent of their average individual income for two items alone, taxes and interest? And yet we complain that the people cannot pay their taxes, and they cannot pay their interest. Congress is responsible for the condition, and Congress will be responsible for whatever happens to the country. Congress is responsible for the national debt having been increased from $16-billion in 1928 to almost $38-billion at the present time. No one but the Congress of the United States is responsible for that condition.

All Aboard For The New Union

By HON. CHARLES ANDERSON
Representative from Missouri

I AM deeply moved by statements issuing from the high officers of the U.A.W.A. engaged in organizing the W.P.A. Here is a striking and significant example. Mr. Richard T. Frankensteen, vice president of the U.A.W.A. says: "We have shown what can be achieved in the auto plants, and we intend to do the same for W.P.A."

There is a declaration that is fraught with danger. It is a challenge to the Government of the United States. Let us throw off this mantle of lethargy that holds us in darkness and face this problem before a national crisis is upon us.

The same Mr. Frankensteen made this further statement: "W.P.A. workers need protection, and we are determined that they are going to get it."

Can it be that an agency over which the Federal Government has complete control is unable to offer this protection? There is no group over which the Government has such complete control of employment and the conditions thereof as it has in the W.P.A. Can it be that our Government is impotent to its task of protecting these unfortunate people?

The activity of the U.A.W.A. in the auto industry is not an issue here. But its activity in W.P.A. is an issue. So also are the past methods employed by the U.A.W.A. an indication of its future procedure. I ask you to remember that this same U.A.W.A. prosecuted its demands upon the automobile industry through the medium of the sit-down strike. Suppose the same methods are employed to prosecute the demands of the W.P.A. union. If this unique method of strike is used in the W.P.A. union as it has been by its organizer, the U.A.W.A., can you not see how intolerable, how utterly precarious, might be the condition of the country in the event of a W.P.A. strike of a similar nature? Can you not see that the very life of every city, municipality, and State might be jeopardized in such a calamity? W.P.A. workers can be found in every public building, in every city, county, and State in the land; thousands are employed in the improvement of systems of communication, transportation, and public utilities. What are the thoughts that course through your minds? Do you not see the possibility of a strangled, or, as it may be, a mangled, America? Remember that the U.A.W.A. started a strike epidemic last year that soon spread with all the fury of a raging forest fire. Even the pleas of its president and organizers were ineffectual in stopping the flood once the dam had crumbled. What assurance have we that these same men will have any greater control over W.P.A.'s millions than they had over a few thousand automobile workers?

The dark cloud of revolution is overshadowing the W.P.A. and the tainted fingers of communism are getting a stranglehold around the throats of W.P.A. workers.

One of the active organizers of the W.P.A. in my district is a certain Joseph Cooper, a former employee of the Ford Motor Co., now on W.P.A. rolls, and a member of the U.A.W.A. This man testified under oath, "Yes, I am a member of the Communist Party." This revealing and astounding answer was made under oath to a question asked by an attorney in a case before the National Labor Relations Board in which Mr. Cooper is a complainant. This further question was asked of Mr. Cooper, "Is there anything in the by-laws or constitution of the U.A.W.A. that prohibits you or any Communist from belonging to the organization?" To this question our W.P.A. organizer, Mr. Cooper, answered "No".

America Ready To Sail Headlong Into War

By HON. ERNEST LUNDEEN
Senator from Minnesota

I AM not an alarmist about foreign affairs. We tried our best in 1916 and 1917 to keep this country out of the quarrels of Europe. But now again we seem hell-bent for war. We seem to be hunting for war. We are bound to get into a war somewhere, and if the war is not ready-made, we will send a little scrap iron and a great deal of ammunition and airplane engines and fighting planes and all the equipment of war, and then we will run our gunboats and our fleets into the fire zone; and if Senators think I am over-stating, I shall now quote some headlines of the *Washington Daily News*, which cover only one in a series of news articles of this nature. These are the headlines, three columns wide:

"Foreigners in peril as Jap Navy fights to seize China port. American and British warships rushing to Amoy to rescue citizens endangered by Tokyo's attempt to capture well-defended city on southeastern coast."

Then the article goes on to state:

"United States and British warships raced toward Amoy today as Japanese Navy authorities threatened to ignore foreign rights in their attack on the island port.

"The American gunboat Asheville arrived at Amoy today after an all-night race up the coast, and was prepared to evacuate the 38 Americans if necessary."

I hope that is true.

"The cruiser Marblehead was known to be on its way; the destroyer Edsall was reported steaming at forced draught down from Tsingtao; and reports from Manila indicated that a destroyer flotilla might be ordered from there."

The report refers not simply to one boat, but to an entire American flotilla which may be sent to the scene of action.

"The British destroyer Diana was at Amoy and the destroyer Dainty was en route from Swatow. Ferocious fighting was reported at Amoy."

And there you have it. American warships, American sailors, American defense forces are being ordered into the line of fire, into the war zones, and, if I am correct, this is long after the citizens and "hucksters," as the able Senator from Washington terms them, had been ordered out. Perhaps some of these men are emissaries of American business. They have had ample warning to leave, and have no business endangering the lives and property of our entire nation. In order to help them, we are sending our battleships as noble missionaries to Christianize in oriental waters. I do not know the occupation of these people. I do not understand the excitement occasioned by these 38 people who should long ago have left this region and are now endangering thousands of American sailors and our war vessels which are being rushed into the Japanese zone. I do not favor such a policy.

What Has Become Of The $2-Billion?

By HON. BURTON K. WHEELER
Senator from Montana

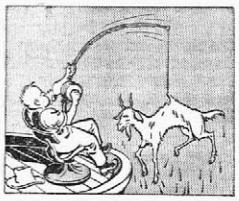
I CALL attention to the fact that when we devaluated gold, we had something like a $2,000,000,000 paper profit; and we set aside that $2,000,000,000 profit for the purpose of stabilizing currencies.

After we had talked about the subject here in the Senate for a considerable period of time, even the United States Chamber of Commerce recognized the fact that the depreciated currencies of other countries were breaking down prices of farm products and other commodities in this country. So we created the $2,000,000,000 stabilization fund. It was a secret fund. Since we created the $2,000,000,000 stabilization fund the depreciation of currencies has continued. Other countries, with the exception of England, have kept on depreciating their currencies just as they did before. Since creation of the stabilization fund the French franc has depreciated from over 6 cents to something over 2 cents. The Brazilian milreis has depreciated. The Italian lira, and all of the other currencies, including the currencies of the Orient, have depreciated.

What does that mean? It means that when the currencies of other countries are depreciated, the farmers of those countries are given an opportunity to put us out of business in dealing with foreign countries, and they are able to ship their products into this country and sell them below the prices for which the American farmer can sell his products.

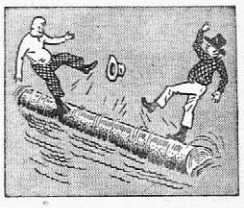
One of two things has happened: Either the theory of the stabilization fund was not the correct one, or else the way in which that fund has been operated has not accomplished that which the Congress and the President intended. Nobody knows how the stabilization fund has been operated. When I say "nobody," I mean nobody except the Treasury Department and its experts and certain agents or persons in the Federal Reserve Bank of New York.

Now let me ask the Senate another question: The Congress of the United States, under the Constitution, is given the power to regulate money and fix the value thereof; but here is a fund of $2,000,000,000 in the operation of which no member of Congress is apprised. No one knows how it has been operating. No one actually knows what it has been used for. We are told in the press dispatches that it has been used for the purpose of stabilizing the French franc at a level just over 2 cents. Only a private institution, the Federal Reserve bank in the city of New York, and agents of the Treasury know what is being done with this $2,000,000,000 fund. The Congress of the United States, which created it, does not know anything about it. We do not know whether that money is being used to stabilize the currency of other countries at a much lower figure than the American dollar or not. We do not know a thing about it, and it seems to me about time that Congress knew something about what was being done with that $2,000,000,000.



THE SPORT OF THE NATION

- POLITICAL FOOTBALL
- LOG ROLLING
- GOAT FISHING
- HOG CALLING
- BUBBLE-BLOWING
- HIDE AND SEEK
- SHIRT-STUFFING
- DUMMY WRESTLING



F.D.R., PEOPLE CATCH UNKNOWN FISH

'Double Cross,' Widely Used on Purge Tour

WASHINGTON, D. C.—One item in political skullduggery not to be underestimated is the old, old stunt of the double-cross.

The President's recent political tour was productive of more than one double-cross.

In Texas New Deal Coat-Tailer Maury Maverick went down to defeat. He campaigned on a 100 per cent Roosevelt platform. His opponent campaigned against the New Deal and was awarded the nomination of the Democratic party.

Now then, Maverick had been told by the President that he might "write his own ticket" so far as presidential support was concerned.

Mr. Maury Maverick, it is assumed, breathed more easily upon hearing this comforting information from Mr. Roosevelt himself. But when the time came for Mr. Roosevelt to put in the plug for Maverick, it was the same, weak, hackneyed "my old friend" plug that was given to every other candidate all down the line.

At the same time, Maverick's opponent, through some mysterious circumstance, rode the campaign train; enjoyed the comfort of the inner council, even if he failed to back down on his campaign of opposition, and even if he received no public accolade from Mr. Roosevelt. He was, however, nominated.

Who applied the occult double X? No one seems to know, although it is suspected it emerged from the members of the secretarial staff.

Now another kind of double-cross comes to light in the Indiana nominating convention. Senator Van Nuys, who had proclaimed himself an independent and said he would campaign as such, rejecting the services either of the Democratic or Republican party, was re-nominated on the Democratic ticket, although he had declared against the New Deal and all its actions.

Jim Watson, former Senator, fortified with Van Nuys' declaration, sought for himself what seemed to be a cinch—the Republican nomination. He was cheered when Democratic Governor Townsend of Indiana declared that the Democrats would choose their own candidate, regardless of what Van Nuys proposed to do.

But, Townsend and Van Nuys settled their differences. Mr. Roosevelt scratched Van Nuys' name from the purge list, and the Hoosier Senator was renominated. At the same time Watson was whipped. Said he: "It's the greatest double-cross in history."

"CURE ALL"

(Chicago Tribune)

OF MUSE & MEN

"Pig-Dogs"

Don Jose Tormos Diego, Mayor of Ponce, Puerto Rico, has nothing but hatred for the assassin who shot at Governor Winship, and for others who have attempted assassinations elsewhere.

In Washington, recovering from an appendectomy, Don Jose let fly with his full venom at the murderers:

"Assassins are pig-dogs," he said. "If I could speak the English by the books, I would blow their nose, by damn I would . . . "

Shaking his fists, the Mayor carried on, tirading against the nationalists of the territory. "Those pig-dogs," he sputtered, "those pig-dogs making too much public scandal with their shoot guns . . . "

But for the nurses at the American hospital—ah, it was a different story.

"These girl," he said, beaming, "these nurse she's making fine care of me; yes, yes . . . very beautiful, too."

Army Armada

The U. S. Army has it over the U. S. Navy, and the Army is very happy about it all.

An old law authorizing the expansion of the Army's air force, through a mistake in wording, permits the army to increase its fighting force of first line ships to 4,120 planes. This figure surpasses the fighting force of any present military power, and exceeds greatly the navy's 3,000 plane authorization.

An old statute gave the army 1,800 planes. In 1936 a Congressional law permitted the expansion of this force to 2,300 through a mistake in the wording of the law, it read: "Of the increase authorized herein, not to exceed 2,320 servicable airplanes . . . "

War department attorneys have found that, regardless of Congressional intent, the law permits the addition of 2,320 planes to the 1,800 already authorized, giving the army 4,120 fighting ships.

What is Species of New Deal— Puzzling Quiz

HOOD ISLAND, PACIFIC OCEAN—Here where the blue waters of the Pacific lap the shores of the Galapagos islands, a great problem has been resolved. What kind of a fish is the New Deal?

The question was brought to the fore accidentally. Mr. Roosevelt, traveling alternately as President of the United States and head of the Democratic party, caught a fish — as President of the United States. (Otherwise he would not be fishing from the stern of the U. S. Navy's U.S.S. Houston.)

This fish was unknown to members of the immediate party. Furthermore, it was unknown to those in the crew who know fish. They examined its scales, gills, mouth, fins, tail, body markings. But they could not discover its identity. Fish manuals hurriedly were thumbed in unfamiliar pages. No soap. The fish was an indefinable something. Its species, no one knew.

In desperation, bewilderment and futility the fish was turned over to Professor Otto Schmitt, of Washington's Smithsonian Institute. He was instructed to identify the fish, preserve it, and card-index it in the Institute's marine life files.

A Parallel

The President's experience in landing this unknown, it will be observed, is a striking parallel to the experience of the American people in landing the New Deal.

Statesmen who have examined the New Deal are unable to determine its true identity. They have pondered over its scale formation, gills, body markings, fins and tail. They have wondered if it is swordfish, catfish, rainbow trout, bass, sucker, shark, pike, octopus, balloon fish, whale, lizard, goldfish, or plain carp.

Some have found its flesh to be edible. Others have been poisoned after the first bite. To some it is gentle as a lamb. Others have found it inflicts a vicious wound with its sharp teeth and fins. It is, they find, scaled over with a strange collection of Communists, political job-holders, lobbyists and Federal office seekers. There are several fins which control the body as a whole. The fins are able to exert considerable pressure on the body parts, and actually direct the fish's movement, forward or backward.

The tail sometimes swishes the fish. Not infrequently it is thrown around to the side to slap off someone riding on the New Deal's back, behind the fin. At one time its color is a deep gold. At other times it is a sombre black. It is a voracious eater, having been known to swallow tax billions with one gulp. It is host to a multitude of bloodsuckers and leeches. When it swims into spawning waters at election time it leaps into the air, and makes a pretense of slapping these parasites with its tail, but the parasites remain, and others accumulate on its broad back.

Shark-like, the New Deal is a man-eater. Salmon-like, its flesh is a deep pink. Whale-like, it is the most gigantic, bloated bureaucracy ever established by politicians. Frog-like it leaps from one alleged "reform" to another. Fish-like, it leaves its debt eggs behind to be hatched by whomsoever they will, another generation if necessary.

The President packed his unknown fish and sent it off to the Smithsonian Institute. It might be well for the American public to pack its unknown in ice, bundle it up and ship it off to a taxidermist to be stuffed and hung on the wall of America's museum of political relics.

Advice to All Business Men— Sell Out Before You're Sold Out

NEW YORK, N. Y.—Advice to businessmen: Sell out to the government before the government sells you out.

The advice is based on the warning issued by Roger Lapham, west coast shipping executive, who foresees the day when the Federal Government, under New Deal spur, will take over the entire national transportation network — trucks, busses, airplanes, railroads and ships.

Saddest of the transportation groups at present are the shipowners and the railroads. Sadder of these two are the shipowners, disorganized through years of Government dawdling and interference. The American merchant marine, struggling to maintain itself independently against the competition afforded by the subsidized fleets of Germany, Japan, England, Holland, Poland, Italy and the rest, is completely demoralized, and would be a sucker for a Government snatch.

And if Government dawdling were not enough to send the shipping industry back to its corner groggy, the labor picture on the coast and in the fleets is enough to complete the ruin.

The C.I.O., succumbing to Communistic influences, has made it hot for labor and the shipping industry alike along the east and west coasts. The Government realizes this, but is unwilling to act. When Joe Kennedy, now Ambassador to the Court of St. James, was chairman of the Maritime Commission, he sought labor laws for the shipping trade comparable to those set up for rail labor under the railway mediation act.

His zealous efforts drew only one result: the opposition of Madame Perkins, secretary of Labor.

Agriculture, industry, business—all must bend before the New Deal's execution axe. And most of them know it!

The Week in the Nation

POLITICS

Kentucky "Victory"

PERHAPS the most significant aspect of the entire "purge" is found in the fact that all the New Deal's horses and all of its men did not achieve even a two-thirds majority in the New Deal state of Kentucky. As Senator Barkley had anticipated, he was the winner in the Kentucky primary election. But Gov. A. B. Chandler lost to more than just candidate Barkley. He lost to a New Deal patronage machine which included everything from 100,000 W.P.A. jobs (in a state where the voting total is only about 500,000) to paper bags labeled "Barkley" for dolesters. He lost to a New Deal appropriation of $306-million, the equivalent of a gift, in honor of Barkley, of $105 for the state's every man, woman and child.

Yet with all of the spending, and publicity, and "dear Alben" boosts, the Senate leader's majority was less than half of the number of persons supported by federal funds in Kentucky.

With one dead, two wounded, and scattered fist fights and arrests throughout the state by which to remember their most heated election in years, Kentuckians have not failed to observe that more than 200,000 of their number had the bravery to defy administration pressure and vote against the New Deal candidate from Paducah.

New Deal Defeat

Primaries of lesser national importance were marked by the defeat of New Deal candidates in a trend that set in at the time of the Roosevelt "purge" tour across the country. Rebels against Rooseveltism were given popular support in elections that showed unmistakably a turning tide against the forces representing what the President chooses to call "liberalism."

In Virginia, William E. Dodd, Jr., seeking a Congressional seat as a 100 per cent New Dealer, was beaten by Representative Howard W. Smith who fought the wage-hour bill and the President's proposed government reorganization. Smith was nominated despite his appearance on the C.I.O.'s "blacklist" of candidates hostile to the John L. Lewis union system.

Representative Norman R. Hamilton, who declared himself "a staunch supporter of the President," was beaten by Colgate W. Darden, an independent.

In a stormy Tennessee primary in which at least one person was killed, scores injured and other scores jailed, Senator George Berry and his running mate Governor Gordon Browning, were defeated by candidates of the Crump-McKellar machine. Berry denied he had broken with President Roosevelt, but his opponent ran on a 100 per cent Roosevelt platform.

Clark's Rise

One of the most significant incidents in a chain of primary election episodes, was the titanic rise of Senator Bennett Champ Clark of Missouri who roared to the forefront of national attention with a plurality of 460,000 in his state's primary.

Senator Clark's surge immediately stamped him as likely presidential timber in the 1940 contest, in the estimation of political commentators. Declaring himself completely independent of the White House and the New Deal, Clark campaigned with the support of a Republican-old line Democratic coalition that carried him through to a smashing victory.

Cast by the wayside in the record Missouri vote were two out-and-out Roosevelt supporters — Joseph T. Davis and Willis H. Meredith, congressional candidate. Clark, son of the celebrated *Champ Clark,* famed Democratic leader of another day, piled up a vote four times that given his combined opponents.

Many circumstances make Senator Clark a figure to be reckoned with in the presidential race two years hence. Sentimentally, he is the son of "Old Champ," who suffered a disheartening defeat in the Democratic national convention of 1912. He openly enjoys the favor of Vice President Garner and Democratic National Chairman James A. Farley, leaders of the conservative group in the Democratic party.

Furthermore, young Champ entered politics to carry on the family tradition, etched deeply into national life by his father. His father lost the 1912 nomination because he could

SENATOR CHAMP CLARK, of Missouri, who polled a 460,000 plurality in the "Show Me" state's important primary election. Senator Clark's success stamps him as a likely choice for the 1940 presidential nomination—if the conservative element retains control.

not muster the necessary two-thirds of the delegates, although he did have a majority. Woodrow Wilson was selected as a compromise candidate and went on into the White House.

Young Clark started chipping away at his objective in 1936, when he was instrumental in leading a successful fight to abolish the two-thirds rule in the Democratic convention. In his fight against the New Deal he has drawn the fire of the President and his purge committee. He was one of the first to be named on the execution list, and now stands among the most successful of those who survived.

G. O. P. On Policy

In Chicago last week the Republican party's program committee went into session, alive to the increasing need of going to the people with a vigorous political program as a substitute for the New Deal.

Significant in the session, was the appearance of New York's racket-smashing District Attorney, Thomas E. Dewey, who told the conferees that rackets can develop only through political tolerance, and left the inference to the delegates themselves. Dewey, recognized by G.O.P. leaders as a "colorful" candidate, rich in voter-appeal, is being groomed for big things in the Republican picture.

Other appeals to leaders of Republican strategy: The Need for co-operation between labor unions and industrial management, voiced by Matthew Woll, A.F. of L. vice president; Freedom from government interference in relationships between labor and management, expressed by Lloyd K. Comstock, president of the Merchants Association of New York.

ADMINISTRATION

Medical "Trust"

The American Medical Association's long-time opposition to local medico-hospital co-operatives, this week embroiled it in an "anti-trust" suit brought by Assistant Attorney General Thurman W. Arnold, who challenged the A.M.A.'s right to bar from membership in the association physicians participating in "Group-Health" systems of co-operative medical practice.

The suit was centered on a purely "local" matter, the A.M.A.'s opposition to Washington's Group Health Association, Inc., an organization supported by Federal employes who contributed membership fees of $2.20 a month for individuals and $3.30 a month for families. In return they were given hospitalization, if necessary, and routine medical care.

Arnold, immediately in charge of the government's trust-busting division, explained that in prosecuting the suit the Department of Justice makes a distinction between the A.M.A., and other defendants of anti-trust suits. "We do not take the view that the offenses committed are crimes which reflect upon the character or high standing of the persons involved," he said in qualification.

The Association, rebutting the assistant attorney general's explanation in its organ, the American Medical Journal, said:

"Apparently it remains to be determined whether the Federal administration can use the laws and the courts to mould the people . . . to its belief in every phase of life and living . . ."

Clipper Sabotaged?

As the United States Navy withdrew its vessels from a search for the Hawaii Clipper in the Pacific waters around Manila, the U. S. Bureau of Air Commerce began an investigation that may uncover the cause of the sleek hydroplane's disappearance.

Hinted strongly as a possible cause of the apparent disaster was the hand of the saboteur. As news of the vessel's disappearance was radioed around the world, it was revealed in official circles that a wealthy Chinese merchant, Wah Sun Choy, was among the five passengers and 10 crew members on the ill-fated flying boat.

Choy, it was learned, carried a huge sum of money to be turned over to the war chest of Marshal Chiang Kai-Shek for the propagation of the Sino-Jap war. The fund was collected among Chinese sympathizers in America. The fact that he carried the money in his possession led to the rumor that the vessel may have been sabotaged.

This same rumor has been current for some months in connection with the operation of the flying boats between California and the Far East. William T. Miller, of the Bureau of Air Commerce, was assigned to the investigation, and to probe into the likelihood of destruction through conspiracy.

LABOR

N. L. R. B. Defied

Between May 9 and Aug. 3, the Maytag Washing Machine Co. operated its Des Moines, Ia. factory only two days. On every other day the factory was closed by a strike called by the United Electrical, Radio and Machine Workers of America, a C.I.O. affiliate, in protest against a proposed wage cut.

The National Labor Relations Board, hearing evidence in charges of unfair labor practices brought against the company by the strikers, was ordered to withdraw from the scene by Iowa Governor Nelson G. Kraschel, who protested that Federal intervention was an invasion of states' rights, guaranteed under the United States Constitution.

As the governor prepared to open the plant under the protection of state troops, the N.L.R.B. set the stage for an unprecedented test of Federal versus states' rights, by announcing in Washington that it would not heed the governor's demand.

Martin Defends Charges

As the United Automobile Workers Union prepared to hear further evidence against four defendants charged with a communist conspiracy last week, the defense attempted to change the course of the trial by charging that Homer Martin, international president of the Union, was himself a "Lovestoneite," or member of a faction of Communists opposed to Dictator Stalin.

The charges, brought by defense attorney Maurice Sugar, hinged on a letter purporting to have passed between Martin and Jay Lovestone, associated with the Independent Communist Labor League, with headquarters in New York, N. Y. Sugar, who represents the four suspended officers of the union — Wyndham Mortimer, Ed Hall, Walter Wells, and Richard T. Frankensteen — alleged that Lovestone, through correspondence with Martin, controlled the U.A.W.

The strategy failed. Martin, out of town at the time Sugar filed his charges in the Detroit papers, returned to deny the affair in toto. Martin, saying that the charges were laughable, admitted that he knew Lovestone; might have written him in a routine way, but could not remember it.

"If I have ever written a letter to Lovestone, I know nothing about it. I've written 10 letters to Norman Thomas, in a routine way. If ever a letter went from my office to Lovestone it was purely routine. It's ludicrous . . ."

The four suspended defendants, former vice presidents of the U.A.W., are charged with a conspiracy to deliver the union to the Communist party. They were shown to have been instrumental in calling 345 unauthorized, "wildcat" sit-down strikes in Detroit automobile plants last year.

Protocols

Continued from page 5

which can never be realized in practical life. What is it to the proletariat labourer, bowed double over his heavy toil, crushed by his lot in life, if talkers get the right to babble, if journalists get the right to scribble any nonsense side by side with good stuff, once the proletariat has no other profit out of the constitution save only those pitiful crumbs which we fling them from our table in return for their voting in favor of what we dictate, in favor of the men we place in power, the servants of our agentur . . . Republican rights for a poor man are no more than a bitter piece of irony, for the necessity he is under of toiling almost all day gives him no present use of them, but on the other hand robs him of all guarantee of regular and certain earnings by making him dependent on strikes by his comrades or lockouts by his masters.

"The people under our guidance have annihilated the aristocracy, who were their one and only defense and foster-mother for the sake of their own advantage which is inseparably bound up with the well-being of the people. Nowadays, with the destruction of the aristocracy, the people have fallen into the grips of merciless money-grinding scoundrels who have laid a pitiless and cruel yoke upon the necks of the workers.

"We appear on the scene as alleged saviours of the worker from this oppression when we propose to him to enter the ranks of our fighting forces—Socialists, Anarchists, Communists—to whom we always give support in accordance with an alleged brotherly rule (of the solidarity of all humanity) of our social masonry. The aristocracy, which enjoyed by law the labor of the workers, was interested in seeing that the workers were well fed, healthy and strong. We are interested in just the opposite—in the diminution, the killing out of the goyim. Our power is in the chronic shortness of food and physical weakness of the worker because by all that this implies he is made the slave of our will, and he will not find in his own authorities either strength or energy to set against our will. Hunger creates the right of capital to rule the worker more surely than it was given to the aristocracy by the legal authority of kings.

"We want and the envy and hatred which it engenders we shall move the mobs and with their hands we shall wipe out all those who hinder us on our way.

"When the hour strikes for our Sovereign Lord of all the World to be crowned it is these same hands which will sweep away everything that might be a hindrance thereto.

"The goyim have lost the habit of thinking unless prompted by the suggestions of our specialists. Therefore they do not see the urgent necessity of what we, when our kingdom comes, shall adopt at once, namely this, that it is essential to teach in national schools one simple, true piece of knowledge, the basis of all knowledge—the knowledge of the structure of human life, of social existence, which requires division of labor, and, consequently, the division of men into classes and conditions. It is essential for all to know that owing to difference in the objects of human activity there cannot be any equality, that he who by any act of his compromises a whole class cannot be equally responsible before the law with him who affects no one but only his own honor. The true knowledge of the structure of society, into the secrets of which we do not admit the goyim, would demonstrate to all men that the positions and work must be kept within a certain circle, that they may not become a source of human suffering, arising from an education which does not correspond with the work which individuals are called upon to do. After a thorough study of this knowledge the peoples will voluntarily submit to authority and accept such position as is appointed them in the State. In the present state of knowledge and the direction we have given to its development the people, blindly believing things in print, cherishes—thanks to promptings intended to mislead and to its own ignorance—a blind hatred towards all conditions which it considers above itself, for it has no understanding of the meaning of class and condition.

"This hatred will be still further magnified by the effects of an economic crisis, which will stop dealings on the exchanges and bring industry to a standstill. We shall create by all the secret subterranean methods open to us and with the aid of gold, which is all in our hands, a universal economic crisis whereby we shall throw upon the streets whole mobs of workers simultaneously in all the countries of Europe. These mobs will rush delightedly to shed the blood of those whom, in the simplicity of their ignorance, they have envied from their cradles, and whose property they will then be able to loot.

"Ours they will not touch, because the moment of attack will be known to us and we shall take measures to protect our own.

"We have demonstrated that progress will bring all the goyim to the sovereignty of reason. Our despotism will be precisely that; for it will know how by wise severities to pacificate all unrest, to cauterize liberalism out of all institutions.

"When the populace has seen that all sorts of concessions and indulgences are yielded it in the name of freedom it has imagined itself to be sovereign lord and has stormed its way to power, but, naturally, like every other blind man it has come upon a host of stumbling blocks, it has rushed to find a guide, it has never had the sense to return to the former state and it has laid down its pleni-potentiary powers at our feet. Remember the French Revolution, to which it was we who gave the name of 'Great': the secrets of its preparations are well known to us for it was wholly the work of our hands.

"Ever since that time we have been leading the peoples from one disenchantment to another, so that in the end they should turn also from us in favor of that King-Despot of the blood of Zion, whom we are preparing for the world.

"At the present day we are, as an international force, invincible, because if attacked by some we are supported by other States. It is the bottomless rascality of the goyim peoples, who crawl on their bellies to force, but are merciless towards weakness, unsparing to faults and indulgent to crimes, unwilling to bear the contradictions of a free social system but patient unto martyrdom under the violence of a bold despotism—it is those qualities which are aiding us to independence. From the premier-dictators of the present day the goyim peoples suffer patiently and bear such abuses as for the least of them they would have beheaded twenty kings.

"What is the explanation of this phenomenon, this curious inconsequence of the masses of the peoples in their attitude towards what would appear to be events of the same order?

"It is explained by the fact that these dictators whisper to the peoples through their agents that through these abuses they are inflicting injury on the States with the highest purpose—to secure the welfare of the peoples, the international brotherhood of them all, their solidarity and equality of rights. Naturally they do not tell the peoples that this unification must be accomplished only under our sovereign rule.

"And thus the people condemn the upright and acquit the guilty, persuaded ever more and more that it can do whatsoever it wishes. Thanks to this state of things the people are destroying every kind of stability and creating disorders at every step.

"The word 'freedom' brings out the communities of men to fight against every kind of force, against every kind of authority, even against God and the laws of nature. For this reason we, when we come into our kingdom, shall have to erase this word from the lexicon of life as implying a principle of brute force which turns mobs into bloodthirsty beasts.

"These beasts, it is true, fall asleep again every time when they have drunk their fill of blood, and at such times can easily be riveted into their chains. But if they be not given blood they will not sleep and continue to struggle."

As far back as the year 1900 a reader of this Protocol would have labeled it as a fantastic dream. Thirty-eight years ago our people were industrious. Unemployment was a disgrace. Hunger and nakedness were almost unknown in America. Respect for other people's property was an outstanding civic virtue. Representatives of the people were honored and esteemed.

Thirty-eight years have brought all the inconceivable predictions of this Protocol to pass. The predictions of the Protocols, fulfilled in many instances in Europe, possibly may be fulfilled in our own America unless both Jew and Christian stand hand in hand against Socialism, Anarchy and Communism—the three objectives of the unknown author, or authors of the Protocols of the Learned Elders of Zion.

Father Coughlin

Real Money

(Concluded from page 16)

plant this imaginary money with real money; money that cannot be manipulated; money that will continue in circulation; money that cannot be withdrawn from circulation by any group political or private.

Now do not get me wrong. I am not against banks. I am really a *radical* proponent of the locally owned and operated individual unit commercial bank. I will go further than that. I think the *private co-partnership bank* is far superior to the incorporated bank. I think the National Bank Act was a great mistake. I *know* that the Federal Reserve Law was a great tragedy. Both these laws were attempts to preserve a thoroughly unsound institution, which was absurd and dishonest in its conception and impossible in operation. They have done nothing but exaggerate the explosive possibilities of a dishonest system which should never have existed.

Some of these statements may sound contradictory, but they are not. It is just that in this limited space, it is impossible to cover the whole story. Therefore one has sometimes to make statements defining his position, leaving to subsequent articles the details which will explain and coordinate.

Under our unsound fractional reserve, bank-credit monetary system, we can have safe banks and a depression or we can have prosperity for a period and an unsafe banking system, which will inevitably collapse and bring down our whole business and economic structure with the possible disintegration of our republic.

To ignore this absurd situation, to close our eyes to the glaring and tragic upheavals of the recent and remote past, and to attempt again to prolong the life of an unworkable system for a short period—a sedative but not a cure for our present distress — is neither courageous nor intelligent.

There is a simple cure; a cure which will forever eliminate accidental or manipulated inflation and its inevitable consequence, tragic depression.

That cure lies in understanding and outlawing, once and for all, the issue of wildcat money, either in physical wildcat currency or the invisible but equally wildcat bank credit, and in going back to the first principles in the issue of all money, whether currency or credit. The issue of money or bank deposit credit must be controlled neither by bankers nor by politicians nor by any other group, public or private, but by laws which will coordinate and limit the quantity to the productive capacity of the nation. This money or credit must be based upon the collective wealth and credit of the whole nation, instead of the inadequate credit of a few bankers.

What happens in the political arena is of small moment, compared to the overwhelming importance of this money question. Our future as individuals and as a nation depends upon its solution.

YOU CAN WIN $3,000.00 IN CASH IN TEN WEEKS

QUESTIONS FOR THIS WEEK

QUESTION No. 11

WHAT IS THE PRINCIPAL REQUIRED CHARACTERISTIC OF A POLITICAL PARTY?

1. That its leaders be Christian in principle and practice
2. That it be well financed
3. That it be anti-Communist
4. That it uphold the Constitution
5. That it cater principally to the middle class
6. That it uphold a just form of Capitalism
7. That it defeat class hatred
8. That it grant to labor a just, annual, living wage

QUESTION No. 12

WHY CAN COMMUNISM NEVER BE CALLED DEMOCRACY?

1. Because its opposite, Fascism, is democratic
2. Because democracy cannot exist without Christianity
3. Because democracy means only "rule of the majority"
4. Because Communism is totalitarian
5. Because democracy grants complete liberty of action and Communism does not,
6. Because there can be no persecution under a democracy
7. Because it is impossible for a governing Communist majority to be just
8. Because Communism is anti-God

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 11 For Question No. 11 I select Answer No. ☐ No. 12 For Question No. 12 I select Answer No. ☐

Name.....

Address.....

Town or City..... State .....

EXTRA COUPON FOR YOURSELF OR FRIEND

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 11 For Question No. 11 I select Answer No. ☐ No. 12 For Question No. 12 I select Answer No. ☐

Name.....

Address.....

Town or City..... State .....

RULES OF THE CONTEST

1. Open to all readers of SOCIAL JUSTICE except employes of Father Coughlin, members of the former National Board of National Union for Social Justice, or members of their families.
2. The Contest shall consist of 50 questions and run for 16 consecutive weeks beginning on July 4, 1938. Two questions each week for 15 weeks and all 50 questions to appear on the 16th week. Each question deals with Christianity, the social justice principles of Father Coughlin, or the contents of the SOCIAL JUSTICE magazine.
3. A Grand Prize of $3,000.00 will be awarded the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based on the universal doctrine of Christianity (all creeds) or the viewpoint of Father Coughlin as expressed over the radio or in the columns of SOCIAL JUSTICE. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner the contestant is required to send in 10 cents in coin (not stamps) with each pair of answers, and to obtain two yearly subscriptions or four half-yearly subscriptions to SOCIAL JUSTICE magazine. For these the contestant shall have sent without further cost a copy of Father Coughlin's compiled 16 radio lectures of the 1938 season.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late or lost in the mails. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of sets of duly qualified answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set and two yearly or four half-yearly subscriptions with each set submitted shall be entitled to have a copy of Father Coughlin's 1938 Radio lectures for each set submitted.

SO CONTESTANTS MAY KNOW

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupons below the questions and send in EACH WEEK with 10 cents in coin (not stamps).

2. If you wish, you may pay in full, $2.50 NOW, and then send in your weekly coupons without further remittance.

3. In order to qualify as a prize-winner you must obtain two new yearly subscriptions ($3.00 per year) or four new half-yearly subscriptions ($1.50) to SOCIAL JUSTICE WITH EACH SET OF SOLUTIONS SUBMITTED. THESE SUBSCRIPTIONS MAY BE SENT IN AT ANY TIME DURING THE COURSE OF THE CONTEST. These subscriptions must be from persons NOT taking SOCIAL JUSTICE by mail at the time the subscription is taken.

4. Each question will pertain to Christianity, (not of any particular creed), to the social justice principles laid down by Father Coughlin, or to the contents of SOCIAL JUSTICE magazine. One of the list of suggested answers underneath each question will be the best or most appropriate based upon the viewpoints of Father Coughlin or this national weekly. It is your job as a contestant to try to select that particular answer.

5. In order to qualify as a prize-winner, in addition to obtaining the above-mentioned subscriptions, each contestant is required to remit $2.50 for each complete set of solutions submitted. THE NET PROCEEDS OF THE CONTEST GO INTO THE BROADCASTING FUND TO ASSURE FATHER COUGHLIN'S WEEKLY ADDRESSES NEXT SEASON!

6. If you run more than one set of answers, be sure to mark your sets "Set 1," "Set 2," "Set 3" etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.

7. ALL PRIZES DOUBLED FOR WINNERS WHO ENTER THE CONTEST IN THE FIRST FIVE WEEKS AND RETURN TEN SOLUTIONS IN THAT TIME.

Address

"CONTEST EDITOR"
SOCIAL JUSTICE
ROYAL OAK, MICH.

THIS LAST SOCIAL JUSTICE TEST CAN BE YOUR TURN TO WIN

Miss Mildred Milutin, winner of the Grand Prize of $1,500.00 in our recently concluded "AMERICA TODAY" Contest, entered dozens of contests before she finally came out on top.

It takes PERSEVERANCE to be a leading prize-winner—but the effort is surely well worth it. Especially when you are being educated in social justice as you go along.

Perhaps you entered the last three SOCIAL JUSTICE contests, and did not win. No doubt, you were close to winning, for often there are only a few points between a contestant and "the money."

THE VERY FACT THAT YOU DID NOT WIN IN FORMER CONTESTS IS THE MAIN REASON WHY YOU MUST ENTER THIS LAST GREAT SOCIAL JUSTICE CONTEST.

Our "CHRISTIAN FRONT" Contest offers $7,000.00 in prizes to 159 readers. This is the highest prize list ever offered by this weekly or any other publication of its class. It is tops.

And only TEN WEEKS left before the great Contest closes!

You are still in time to enter—and win the Grand Prize of $3,000.00 or any of the other 158 cash awards. You can send TODAY for all past questions which have appeared by using the "Past Questions" Coupon below. Within a few days you will have in your hands all the "tools" to bring yourself right up even with every other person in the Contest.

What could you do this Christmastime with $3,000.00? We'll leave that thought with you. We'll merely say that YOU HAVE AS GOOD AN OPPORTUNITY OF ROMPING OFF WITH THE GRAND PRIZE AS ANY OTHER CONTESTANT.

During the last 18 months 883 readers of SOCIAL JUSTICE have won the grand total of $19,990.00 in our educational contests. These winners were of all ages above 14 years and were recruited from many walks of life.

Man or woman, boy or girl, you CAN win. No special education is required. Only a fair knowledge of the social justice contentions of Father Coughlin, Christianity, and the weekly contents of our SOCIAL JUSTICE magazine.

Enter this very week. It's easy to win. No point to delaying. Use the "Past Questions" Coupon this very hour. Send it right in to the Contest Editor, and he'll shoot you the questions.

READ 'EM OVER

GRAND PRIZE	**$3,000.00**
Second Prize - - -	$1,400.00
Third Prize - - - -	$1,000.00
Fourth Prize - - - -	$300.00
Fifth Prize - - - - -	$200.00
4 of $25.00 ea. - - -	$100.00
50 of $10.00 ea. - - -	$500.00
100 of $5.00 ea. - - -	$500.00
	$7,000.00

"PAST QUESTIONS" COUPON

Contest Editor, SOCIAL JUSTICE
ROYAL OAK, MICHIGAN

I wish to enter the "CHRISTIAN FRONT" Contest at once and be on an even footing with all other contestants.

Please send me immediately all past questions which have appeared in the contest to date.

MY NAME IS .....

MY ADDRESS IS .....

CITY OR TOWN ..... STATE .....

REMEMBER WHAT UNCLE SAID

To the Editor:

F.D.R.'s circuit of the country in the effort to push out of office such Senators and Congressmen as refused to surrender the vested rights of the people of the country entirely to him, and to secure the election of those because "they did wonderful things for me," has served to recall what Teddy Roosevelt, speaking of Franklin, said some years ago: "Look out for that fellow! Once he gets his teeth into a thing he never lets go!"

Boston, Mass. David Johnson

POLITICS IN CALIFORNIA

To the Editor:

This is from a campaign pamphlet of Mr. McAdoo in California: "He aided in originating the Federal Reserve Act, and organized and established the Federal Reserve Banks."

Mr. McAdoo's press agents evidently consider this blot upon American democracy a credit to his candidacy. I consider it an unwitting confession.

It is well to note that Mr. McAdoo along with Mr. Glass is introducing a bill to take the money-making powers out of the hands of the privately owned Federal Reserve Banks and give them back to the privately owned New York chain bankers! Of course, Mr. McAdoo, having assisted in selling out the American people's rights could not be expected to assist in restoring them.

Perhaps a little spotlight on Mr. McAdoo would clarify the political skies for your California readers. Too long has he been allowed to serve the bankers without giving thought to the unthinkable possibility of his being returned to Washington.

James T. Walter

St. Helena, Calif.

MORE FOR THE MANY WITHOUT

To the Editor:

I am convinced that the aims of Technocracy are worthy, honest and just. This program is, in my estimation, a Christian plan operated in a scientific manner. Under this program it would be impossible for the few to exploit the many.

The basic principle of Technocracy is in the displacement of men by machines. Even if the masses were given plenty of purchasing power, the improving of present machinery and the constant advent of new machinery is mechanizing our country to such an extent that a small portion of our people, with machinery, will be able to produce more than the balance can consume.

I am a mechanic and have seen examples of this in years gone by at my own place of employment. It requires less and less men to produce more goods or wealth each year. To my mind, the principles of Technocracy are sound inasmuch as it proposes to change "want in the midst of plenty" to "plenty in the midst of plenty."

Jos. Ebenhock

Akron, Ohio

BLAME BELONGS TO US

To the Editor:

I have studied a great deal about foreign trade and I know that we need camphor, rubber, bananas, coffee, shellac, etc., from foreign countries and that we would have a difficult time changing our mode of living if we were to stop foreign trade.

I know that if I had to produce to exchange for things that I need, the cheaper I could buy the things I need and the higher I could sell the things that I have to exchange, the better off I would be.

If foreign countries are willing to work cheaply and sell us their produce cheaply, and since we have a lot of gold that we don't need, it looks to me that it is our fault if we do not know how to distribute it.

Lima, Ohio F. C. Boothby

NOTHING BUT PEACE AT AKRON

To the Editor:

Social Justice incorrectly reported the Goodrich Strike at Akron, Ohio. I have worked at this plant for twenty-five years and have seen several minor strikes and sit-downs, but there has never been violence, and the strike your paper reports was very peaceful. No one tried to enter the plant, very few pickets were at the gates—none were required, as the company did not attempt to operate during this period.

The strike was authorized by executive committee and was settled with peaceful negotiations between union and company officials.

Akron, Ohio Cloyd Dressler

URGES JUNIOR PLATOONS

To the Editor:

Among my friends and high school companions I have noticed a great deal of opposition to Father Coughlin because they assume that he has a dilapidated concept of economics and that his ideas are rather beautiful pictures but cannot be brought to earth.

Why can not the followers of Social Justice foster junior platoons. Save the youth from mental starvation and decay and above all, the principles of destructionism. This is the urgent time for our young people to be schooled in the paths of social righteousness—to be made to realize that they are their brothers' keeper and that the basic laws of Christianity must be lived up to if we expect harmony and peace.

Vincent J. Ferrari

Glendale, N. Y.

CHRISTIANITY IS THE BALANCE

To the Editor:

If we are to preserve our Christian world against the attacks of the non-Christian world, we must put the teachings of Christ into actual and workable practice. We cannot live by bread alone any more than we can live by spiritual salvation alone.

It is impossible to induce men and women to follow Christian leadership forever in poverty while the millions who trod the opposite path enjoy luxury. A balance must be provided.

The fact that the Christian churches throughout the world have lost millions of followers is evidence that the time is at hand to provide that which we preach materially as well as spiritually. If we do not, millions more will lose faith in our teachings until we reach that stage of worship characteristic of the period when men, women and children were fearful for their very lives and were compelled to worship in hidden places.

Dr. H. S. Mikesell

Richmond, Ind.

DISTRIBUTE BUSINESS FIRST

To the Editor:

The chain store principle implies the concentration of business into the hands of a few, and this in turn implies the concentration of wealth into the hands of a few.

Before the advent of chain stores, thousands of every type of independent stores were doing a good business, employing at least twenty times more help than is being employed today, and they paid their employees a decent living wage.

As a result of chain stores, hundreds of small wholesalers were forced to quit business, thousands of salesmen lost their jobs and the hotels which catered to them went into bankruptcy.

Any agency which concentrates wealth into the hands of a few is a menace to democracy. Just a handful of men own the major portion of stock in those monopolies.

If the chain store was taxed out of existence, the economic ills would be lessened greatly. The little fellow must be put back into business in a big way before we can ever realize a normal prosperity. Before wealth can be distributed, business must be distributed.

J. E. Martin

Chicago, Ill.

THE CASE FOR THE ARTS

To the Editor:

The author of the article *"For Art's Sake"* seems to have an astigmatic perspective in his observation of the arts. Has he not been informed that Da Vinci was the most versatile genius in the realm of the arts and sciences and therein verified man's natural adaptibility to miscellaneous vocations? Or that Leonardo was in reality an amateur painter who toiled forty years before the world famous Mona Lisa was an accomplished entity, and that he employed other artists to daub in parts of his paintings? Or that William Shakespeare was a literal descendent of Alfred the Great, and that his poor acting equipped him with the stage technique, without which his so-called gifted sense of theatrical values should not have been possible? Or that the plot to only two of his plays were original, those being unoriginal in form? This should make even more prevalent Shakespeare's dependence upon others.

Since art is a social force, an artist must be a social factor. Can he survive by living in a garret on black coffee and stale doughnuts, and composing eulogies in homage to his artistic masterpieces boxed in the warmth of his soul whilst he awaits the commercial galleries to open its monetary standardized portals erstwhile the Saturday night Babbitts swamp the galleries with repulsive dipsy-doodle and strangely enigmatic smearings in the name of Fine and Modern Art?

Sarah Bernhardts and Sir Henry Irvings are not the common cream of society—no more than Jean Muir or Robert Donat are. But can one innocently say that Miss Peggy Fenn, John E. Matthews and Ray Rawlings or Stephen Nastfogel are not of the best caliber merely because they were associated with the Federal Theater? Such artists are a divine blessing after one has seen the unexcelled of the mediocre pan through their various phases of cinematic antics, flashed on a silver screen, merely because they happen, by the ghost of luck, to be the bosom comrade of a director's kindred or the tenth cousin of so-and-so.

Having been one himself, George Bernard Shaw has none too frequently repeated that the quintessence of the arts lies in the spirit of the amateur (be he professional or otherwise). Review the theater from beginning to end and discover why the amateurs were presented with the palm from time immemorial, when the Hellens of yore founded the modern theater, to the Mercury Players Fascist representation of Julius Caesar in a symphony of light, and Harlem's version of MacBeth staged in Honduras that turned Broadway gray with age by the mere power of its novelty.

Private enterprise will never absorb the superfluity of artisans, for it has never had the desire to do so. Their everlasting design has always been to conserve a superfluous labor market so that the wage scale may be kept to a minimum. Thus the cinema, in lieu of being an art in itself, has come into being to kill the living theater—and likewise relegated to oblivion the Book of Job, the most beautiful poetic-drama ever to have seen the light of man, and God in the darkness because of it.

Walter Donat

Detroit, Mich.

TOO MUCH INDIFFERENCE

To the Editor:

I keep an itemized account of money paid to the bank that carries my mortgage and I think the reason the racket continues is the indifference of the people in keeping records over a period of years of money paid out on property.

I know many property owners and not one has ever kept an account of any thing they have paid out on their property. Their only reason for this laxity is that, although they began recording these expenditures, it worried them to see so much money involved and consequently they discontinued the habit.

My opinion is that laziness and indifference is a better explanation. When I show my account to these people, they will not bother to read it, asserting that conditions have always been thus and nothing can be done about it.

Mrs. W. H. I.

Pawtucket, R. I.

CORPORATE STATE

(Continued from page 3)

base upon which our entire definition can be erected.

Democracy is a rule of the people. It entertains the idea that the people at large not only choose whatsoever form of government they please but actually constitute the government through duly elected officers.

It is factual that the above description of democracy, which we Americans accept, does not coincide definitely either with the Soviet type, the Nazi type or any other dictatorial type even though they are chosen by the people as the form of government under which the people live; for, once the power has been handed over to a Stalin or to a Hitler, to a Communist party or to a Nazi party, it is understood that such a party will not permit any competitor to enter the field but will even employ force to maintain itself in power even though, at some future date, the majority of the people show some opposition towards it.

THUS, while a Soviet-Communist form of government may have been chosen freely by a dominant group of people, it so happens that these people are not free to alter the Soviet-Communist government in a peaceful manner.

On the other hand, we Americans, agreeing to accept the principles of the Constitution of the United States as fundamental; agreeing that these principles will not be altered except through an orderly method established by the Constitution itself—we Americans rest the fundamental of our democratic system upon the fact that we can group together to select representatives whose business it will be to fulfill the will of those whom they represent in Congress. In this manner the people, through their representatives, can pass laws or rescind laws; can levy taxes or lift taxes for the welfare of all the people.

Representatives are the lawmaking individuals in the United States. They are sent to Washington actually to represent. The Constitution places them first as they take precedence over the President who is only the Chief Executive and over the Supreme Court which is only the interpreter of the laws passed by the Representatives in accord with the Constitution of the United States.

Of course, by Representatives I mean both members of the House and members of the Senate; for both of them represent the people of the United States of America.

In our scheme of democracy Representatives are selected according to geographical divisions of the country. Wherever approximately 70,000 persons of voting age live, a congressional district is established, provided it does not transgress the boundaries of a given state. Thus representation is intimately linked with geographical divisions. Originally when this mechanism of democracy was established in the United States our ancestors were, for the most part, an agricultural people. Very few of them were industrialists. Only a small group of them were identified with a professional class. The majority of so-called laborers were farm laborers. There were few full time carpenters, full time blacksmiths and so forth; because, to emphasize by repetition, the vast majority of Americans in the eighteenth century were agriculturists. Thus, geographical divisions of the country into congressional districts, was a division of the agricultural voters of America into groups resident within a congressional district.

Tremendous progress has been made in the United States since 1776. Our people became a diversified people. Trades multiplied. Professions increased in kind. Industries began to dot the towns and cities which rapidly were being established. Vast communication systems were erected. Mass production machinery quickly was installed and used. Not only carpenters, steel workers, masons, plumbers and dozens of other craftsmen increased in number but there sprang into being a new occupation of labor which was identified with mass productionism.

Thus, congressional districts began to take upon themselves a different complexion. Today there are dozens of congressional districts whose voting population is a mixture of every trade, profession, art and industry to such an extent that no one trade or profession or art or industry represents the majority of people living in that congressional district.

In other words, America has ceased to be predominantly an agricultural nation. It is true that there are some congressional districts where agriculture predominates. The point is, however, that the original idea of geographical representation of the voters forces us to admit that a Representative elected to Congress is now compelled to represent farmers, laborers, lawyers, carpenters, locomotive engineers, doctors, miners and a hundred other various types of men and women with the result that in endeavoring to represent all of them he represents none of them completely.

THE IDEA behind the corporate state is not to destroy democracy but rather to perfect it. The philosophy of the corporate state maintains that our Representatives, as facts have proven during the past fifty years, have not accomplished the best that could be expected from Representatives. Not that these gentlemen are dishonest, but circumstances have prevented them from operating to the best interests of all the people. These circumstances, to my mind, are related very intimately with the fact that the more suave, compelling and potent group of voters in any congressional district can and do dominate the mind of the Representative to the detriment of the other groups or classifications of men and women living in the same congressional district.

The corporate state idea, desiring a perfection of democracy, aims at perfecting the idea of representation on the basis that the building trades, first, will organize among themselves and be empowered to send their representative to Washington; that the miners will do likewise; that the professional classes, the commercial classes, the various labor classes and farmer classes and all other classes will do likewise so that representation will be based upon the principle of class representation rather than upon the outmoded theory of geographical representation.

The corporate state in nowise conceives that the people, duly organized, should relinquish the power of writing laws through their duly elected representatives. In nowise does the corporate state recede from the fundamental notion of democracy as appreciated by Americans. In nowise does it tend towards dictatorship either of one man, as in Russia, or of one party, as in Germany, because both of these forms of dictatorship degenerate into a totalitarian state. By this I mean that they both degenerate into a form of government where the people exist for the state and not the state for the people; where the basics of production are either owned or entirely dominated by the state and not by individual citizens or groups of citizens.

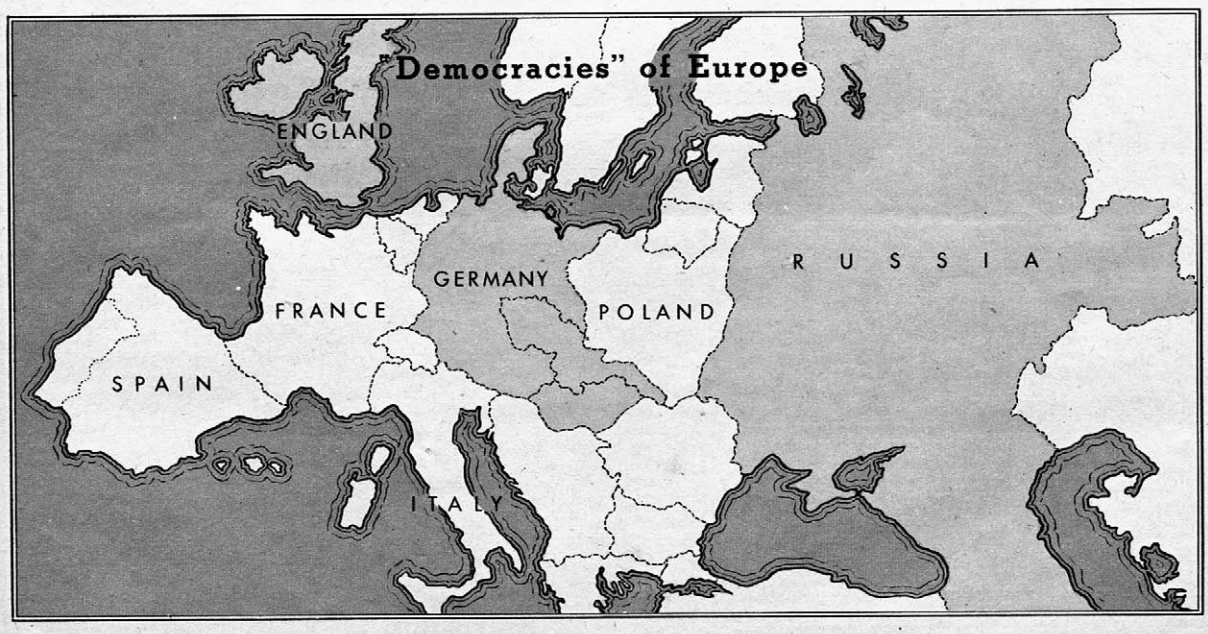
The corporate state is sometimes referred to as an organic democracy. By organic democracy we wish to convey the idea that the state should be composed of various groups of society just the same as the human body is composed of various organs or members. In the human body all the organs, or members, act in mutual harmony. In the right arm, for example, as in the building trades, there are many parts. The parts in the arm may represent the carpenters, plumbers, electricians and other trades. The millions of cells in the parts of the arm may represent all the individuals who belong to all the building trades. The corporate state, which is organic democracy, follows the pattern, in one sense, of the human body in which every organ and member acts co-operatively for the common welfare.

It is evident from the above that if we intend to strive towards the perfection of democracy along the principles of a corporate state; if we strive to perfect democracy along the idea of organic democracy, it is fundamental that we continue organizing the various groups of citizens according to their classification.

We have already moved very far in that direction. Industry and commerce are organized under the United States Chamber of Commerce and other national organizations. Already there are various farm unions, labor unions and trade unions. The medical fraternity and the legal fraternity have made much advance in organization.

Not in a day nor in a year will this organization be complete. Nevertheless, it is our duty, as lovers of social justice, to assist all worthy organizations of our fellow citizens according to their class groupings and to resist all efforts of radicals which would turn these class groupings into unorganic groups dominated by Marxian principles.

On another occasion I will add more thoughts to those expressed above.



NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

RICHARD T. FRANKENSTEEN

THE man of this week stands as a challenge to honest, sincere labor.

Richard T. Frankensteen bears the scars of labor battles. As organizational director of the United Automobile Workers C.I.O. Union, he received an unmerciful beating in the famous "Battle of the Overpass" when U.A.W. members stormed the gates of the Ford Rouge plant at Dearborn, Mich., one year ago.

He fought through the strikes to organize the plants of the General Motors and Chrysler Corporations.

He was in the thick of riots, disorders, eruptions. He carried the banner of unionism and planted it where it never before had been unfurled.

But his fellows, leaders in his own union, have exposed him. They have shown that he consorted with Communists. They have shown that although he was not a Communist, Frankensteen accepted the meagre support they offered. He hoped to further himself and his own cause politically through their weak support.

Frankensteen is a member of the welfare board of the State of Michigan. He is an appointee of Governor Frank Murphy, who similarly has enjoyed the support of Communists. Frankensteen hoped, with his foot in the door of politics, to thrust himself full into the inner chamber of political office.

Thus the laboring men who followed Frankensteen erred, unknowingly. They were entrusting their welfare to a man whose first thought was not for them. Their welfare, thus, was bound up with the welfare of the Communist Party which, it has been shown, traded with Frankensteen for mutual support.

The leadership of the United Automobile Workers Union suspended Frankensteen from membership, along with his associates of the "Unity," or Communist, faction which brought about wildcat strikes and general disorder. He has stood trial before the U.A.W. executive board on charges of participating in a Communist conspiracy to gain control of the union.

Frankensteen as an individual is of but little harm to the labor movement. But Frankensteen, multiplied throughout every C.I.O. union, stands as the greatest threat to American labor.

American labor must keep itself American if it is to survive and reach its goal of economic freedom. It can give no support to self-seeking leaders. It cannot condone Communists and their aides, bent on demoralizing labor in order to control it.

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